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Kovalev Reviews UN Human Rights Session
924C1150A Moscow NEZAVISIMAYA GAZETA
in Russian 2 Apr 92 pp 1, 4

[Interview with Sergey Kovalev, chairman of the Russian Supreme Soviet Committee on Human Rights, by Leonid Kannenberg; place and date not given: "Human Rights Are Not a State Domestic Matter"]

[Text] [NEZAVISIMAYA GAZETA] Sergey Adamovich, you headed up the Russian delegation which took part for the first time in the session of the UN Commission on Human Rights in Geneva. Over two weeks have passed since your return to Moscow, and we were unable to arrange a meeting, but perhaps this is even for the best. Now you have interpreted and defined the meaning of all the events which took place in Geneva. Are you satisfied with the Geneva debut, and which of its results would you note foremost?

[Kovalev] Perhaps the main result for us became the fact that Russia not only appeared at a session of this rather highly respected commission for the first time, but proclaimed its own position, from which it intends to speak out in the future. Its essence is very simple, and it is based on a well-known principle: Human rights are not the domestic matter of any of the states. Therefore we—both I in my speech and Minister of Foreign Affairs Kozirev—announced that we ourselves are open to criticism and grateful for it. We ourselves are ready to speak about our difficulties and call upon the other participants in the session to take the same position. And this—and only this—gives us the right to a principally different evaluation of the state of affairs in other countries than had formerly been in the USSR. We immediately declared that now the former Union relations with one country or another were unimportant for us, and that our evaluation of the situation with human rights in any country would be defined only by the essence of the matter.

[NEZAVISIMAYA GAZETA] Were you able to maintain this position to the end in all cases?

[Kovalev] I would say we were. With certain slight, we might say, tactical deviations. I will speak about them a little later. And so, we told very clearly what concerns us within our country—about the main, most widespread violations of human rights. As for other countries, our new position was most obviously manifested in regard to Cuba, China, and North Korea.

[NEZAVISIMAYA GAZETA] However, while the resolution condemning Cuba passed, the Chinese question was nevertheless blocked. What happened?

[Kovalev] The majority voted against it, and that is all. The developing countries outweighed us. However, we voted for the Chinese resolution—moreover, with the stipulation that the condemnation relates not only to the

situation in Tibet, but also to the situation with human rights in all of China. But, alas, we found ourselves in the minority.

[NEZAVISIMAYA GAZETA] So, even the condemnation of the situation in Tibet did not pass?

[Kovalev] No. Nothing passed in regard to China. Now about that which I called tactical deviations. First of all, while consistently voting in accordance to those principles about which I spoke earlier, in one case we refused to speak out as the co-authors of a resolution...

[NEZAVISIMAYA GAZETA] Are you referring to the resolution on Cuba?

[Kovalev] Yes. Although I do not believe that this is such a serious compromise. Certain delegations and regional services of the Ministry of Foreign Affairs did not really pressure us, but they did give us advice... You understand, professionals convinced me of the fact that such a sharp change in our position is also somehow unflattering... In general, we voted our consciences in regard to the Cuban question, and this, in my opinion, is the main thing. Yet another more serious compromise has to do with Karabakh. We did not insist on the inclusion of this question on the agenda, and engaged in... I will put it this way—lobbying. Here, you understand, we are in a delicate position, especially since today the situation in Karabakh and around it has changed, but not as synonymously as it had been at one time. Russia continues to offer its mediation services and may be of benefit in this regard. It was specifically because of this that we ourselves did not risk raising this question, and engaged in its energetic lobbying. We asked the Western countries to introduce a resolution on Karabakh and looked for a delegation which would agree to do this. And then, not having found one, we turned with this request to the chairman of the session. There is such a procedural avenue—the chairman's declaration. This is no less effective than a resolution, but it does not mean an automatic formulation of the same question at the next session. And we received consent for this from the chairman, the representative of Hungary. But literally at the last moment, everything was undermined through the efforts of Turkey and Iran. The fact is that the chairman's declaration must have the nature of a consensus—on the basis of general agreement. This would have been achieved had it not been for these two countries. First Turkey spoke out against the declaration. But since it is not a member of the commission at the present time, but merely has the status of an observer, the decision was made to ignore its position. But, alas, Iran is not an observer, but a bureau member. Turkey persuaded Iran, and Iran blocked the declaration. Thus, not a single word was said at the session about Karabakh.

[NEZAVISIMAYA GAZETA] And what was the nature of the declaration? Why did it not suit the Turks and the Persians?

[Kovalev] The declaration was, of course, completely neutral in regard to the opposing sides. But it contained

an evaluation of the alarming nature of the situation, and this would have allowed the UN to take some kind of measures and to act. Now the question of Karabakh can emerge again along the UN line only in the Security Council. And I, for example, am entirely convinced: There is no other means of quelling this conflict except its internationalization.

[NEZAVISIMAYA GAZETA] I would like to ask about one other event surrounding the Geneva session which, we might say, was interpreted by AFP and other information agencies as the number one sensation. I am referring to the meeting of the Russian delegation with the chairman of the Cuban opposition in exile, which took place in the building of the Russian representation in Geneva. How did this happen, and why did the Russian side have to refute something afterwards, and practically justify itself?

[Kovalev] No, we did not have to justify ourselves. It is simply that this reception, organized by us, was not a meeting with the Cubans. This was a reception in honor of the so-called NGO—the nongovernmental organizations accredited by the United Nations, such as Amnesty International, the League of Human Rights, and others. I might add that we owe much to these organizations here in Russia. Therefore, certain mass media presented this reception as a meeting specifically and solely with the Cubans, who in fact were there among many others. We felt it necessary to correct this inaccuracy, since certain nongovernmental organizations were slightly upset by such a presentation of events. But prior to this in the UN building there was a meeting of former political prisoners—and it really did become a Cuban-Russian meeting, because the former political prisoners there were Cubans, and myself.

[NEZAVISIMAYA GAZETA] Now, when several weeks separate us from the Geneva session, we might ask: Following it, was there a reaction from our former ideological allies about whom you spoke, in regard to the new Russian position on the human rights question? That is, some things are, of course, already known: Cuba, for example, accused us of being traitors. I overheard, for example, that there was a North Korean ambassador...

[Kovalev] And it was no more than today. The fact is that in one of my speeches in Geneva, speaking about Russia's problems in the sphere of ensuring human rights, I mentioned the situation of North Korean citizens who find themselves on Russian territory. This is a problem which cannot help but interest us and which we will have to thoroughly and officially investigate. According to the information at our disposal, the situation here is extremely bad. The history begins with the agreement of 1957 between our country and the North Korean side. I will not speak about the exact content of this agreement at this time, because I do not have it at my disposal. I was promised that it would be found and submitted to us. However, I do have the agreement which is currently in effect and which was reconcluded at the beginning of August 1991. This is an agreement on

logging operations in Amur Oblast and Khabarovsk Krai. It contains many strange things, to say the least. For example, this agreement stipulates that the North Korean administration may take away the passports of its workers and replace them with certificates. In other words, Russia allows foreign citizens to live on its territory without documents. Here it is also directly stated that at these logging institutions the citizens of North Korea are subordinate to the laws of the DPRK. What kind of extraterritoriality is this in regard to the loggers from North Korea? This is entirely unclear. As for the real state of affairs, there is very much witness testimony in this regard. Our committee has some of it at its disposal, although I must say that they have no confirmation at the level of some official verification.

[NEZAVISIMAYA GAZETA] Can you share it with us?

[Kovalev] Well here, for example, is an incident which, it is true, is unrelated to logging in the Far East. Several years ago in Leningrad a certain North Korean student joined his fate with that of a citizen of the GDR. I use the lofty expression, "joined his fate," because he could not simply get married, since he did not have a passport. They tried to call the student back to his homeland right away, but he did not want to go, and hid with his friends in Leningrad. Then searches were conducted in the dormitories and hotels of Leningrad through the efforts of citizens of North Korea. The railroad stations and the airport were picketed. To the credit of the Leningrad militia, it conducted itself in a worthy manner in this situation. Finally the student was successfully sent to Germany.

Another incident is already associated with the Far East: A man fled from these logging sites. They caught him and tried to take him out by airplane. There too everything ended well. But it seems that in many other cases about which we simply do not know everything ends quite differently. Although, I repeat, I would like to be very accurate here, we do not have any official documents except for the infamous agreement.

It was about these things that I spoke in Geneva. The honorable ambassador came to me in order to express his surprise and indignation at my announcements in Geneva. He explained to me that in the Russian Federation matters with human rights are not as good as they are in the DPRK, whose population enjoys all the necessary freedoms and is very grateful for this to its government. He evaluated my speech as intervention in the domestic affairs of North Korea. I thanked him for his frankness and criticism, but said that I cannot consider that which is happening on the territory of Russia to be the domestic affairs of North Korea. We parted, smiling politely...

[NEZAVISIMAYA GAZETA] Also, what was the reaction to the behavior of the Russian delegation in Geneva?

[Kovalev] We spoke at the session with the head of the Chinese delegation. He said that we should not forget our

difficulties and about the fact that we are neighbors. And he expressed the hope that in the discussion and voting Russia would take all this into consideration. I said: "Of course, we will." In my opinion, we have considered it all...

'Cold Spell' in Russian-Libyan Relations Examined

Egyptian Journal Cited on Causes

924C1200A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 4 Apr 92 p 3

[Article by KOMSOMOLSKAYA PRAVDA Correspondent A. Shumilin, Cairo: "The Solitary Colonel Purchases the Bomb While His Boys Set Fire to Embassies"]

[Text] Video tapes of what is occurring these days in Libya frighten us. The Venezuelan Embassy is ablaze—the country whose representative chaired the UN Security Council session during which a resolution was adopted to introduce sanctions against Libya beginning on April 15. Molotov cocktails were also thrown into the Russian Embassy. In our case, however, we managed to prevent a fire.

Russia's new policy in international affairs does not suit those people in Tripoli who would like to bring their notorious "struggle against the West" to a victorious conclusion. But then again, for truth's sake, we need to note that the "cold spell" in relations between Moscow and Tripoli did not at all begin after the failure of the August putsch in our country. The first "cold spell" was already in the air at the end of the 1970's after the leaders of the USSR, despite their full "sympathy and deep respect" for Libyan Colonel M. al-Qadhafi, refused to give him... an atomic bomb!

This is no joke. It turns out that at that time a bomb could very well have been given to the Kremlin's Libyan colleague in the anti-imperialist struggle. The authoritative Egyptian journal AL-DUWALIYAH, which recently conducted a special investigation, adheres to that opinion. If you believe its information, negotiations actually were conducted on this issue between Moscow and Tripoli at the end of the 1970's which came to naught primarily due to the "technical difficulties of transporting" nuclear weapons and also due to Moscow's fear that this deal would become known in Washington and then—the end of hopes for conclusion of agreements on reducing nuclear weapons between the USSR and the United States.

Why did the "Libyan revolutionary" need a bomb? But everything is very simple. First of all, the Egyptian journal writes, in order to "thus restore the strategic balance in the region" after Egypt had withdrawn from the Arab front in the struggle with Israel. Secondly, the bomb would have become a serious support of "revolutionary forces in the Arab world." Moscow's refusal for

"technical reasons" already caused a wave of dissatisfaction in Tripoli at that time which took the form of criticism of the USSR's policy.

The last wave of criticism of Moscow's policy from Tripoli is associated with the USSR's position, and later Russia's position, with the current "Lockerbie Affair." A significant portion of the exchange of opinions on this issue occurred during the visit to Cairo of the heads of our foreign policy department—Boris Pankin (in October 1991) and Andrey Kozyrev (in March 1992). Their position was precise: Libya must manifest good will and opt for full cooperation with the UN Security Council. Al-Qadhafi is not forgiving Moscow for this "betrayal of the cause of the revolutionary struggle": molotov cocktails over the fence of the Russian Embassy are possibly only the beginning. Later, he is threatening to terminate cooperation with all countries that "did not oppose the UN's illegal resolution." Just one question: will he, just like Saddam Husayn, not doom his people to deprivation and suffering, not to mention international isolation?

Embassy Official Details Libyan Attack

924C1200B Moscow KOMSOMOLSKAYA PRAVDA
in Russian 4 Apr 92 p 3

[Interview with Russian Embassy in Libya First Secretary Vitaliy Sergeyevich Agapanyan by S. Ivanov: "Let Us Report the Details"]

[Text] On Thursday, embassies of several countries in the Libyan capital, including the Russian Embassy, were attacked. Yesterday, we managed to reach Russian Embassy First Secretary Vitaliy Agapanyan in Libya by telephone.

[Agapanyan] We surmised that something was being prepared. Police lines were set up near the entrance to the embassy grounds. Six buses drove up to the embassy at 12:20 local time. Nearly 200 young people, ranging in age from 15 to 17, got off the buses. The demonstrators began to throw rocks and bottles onto the embassy grounds and to overturn automobiles that were parked next to the embassy. Four of our vehicles were practically totally destroyed. The demonstrators attempted to penetrate the embassy grounds. It is strange that the police took absolutely no action. Special subunits of police and soldiers, who used tear gas, arrived only after we had contacted the appropriate services. The crowd dispersed. None of us were injured.

Right now the situation is normal. There are many policemen and soldiers near the embassy. The Libyan government has offered an official apology and expressed its willingness to compensate us for the damage which we assess at \$120,000.

[Ivanov] Vitaliy Sergeyevich, how severely was the Venezuelan Embassy damaged?

[Agapanyan] The building was set on fire. A large portion burned down. It's a good thing that they managed to evacuate the people to a neighboring building. The diplomatic mission cannot function in that building. It is noteworthy that these same people placed baskets of flowers near the embassy entrances of India and China, which abstained during the voting. There is no doubt that this was a planned act.

Russia-South Africa Trade, Pretoria Focus

924A0992A Moscow ROSSIYSKAYA GAZETA
in Russian 3 Apr 92 First Edition p 7

[Article by Vladislav Kurochkin, docent at the Moscow State Institute of International Relations: "Moscow-Pretoria: Ever Further?"]

[Text] The support of the white population of the Republic of South Africa [RSA] in the recent referendum for the reforms conducted by President de Klerk removes the last emotional negativism from world public opinion regarding this country, which quite recently was called nothing other than a bastion of apartheid.

Black leader Nelson Mandela is granting numerous interviews, actually in preparation to take over the president's seat. But we should not be too joyous about the fact that the transfer of power from white to black will take place, apparently, very quickly. There are some fine points here. Both either came to or moved to the southern end of the African continent with a difference in time of only a couple of centuries. The present level of material well-being of the RSA, which is fairly high by world standards, although it was created by the hands of black workers, will depend to an ever greater degree on the intellect and labor of white settlers who have made their home in these parts. It is the white geologists and specialists who prospected and began to effectively work the diamond and gold mines, who planned and carried out the construction of the largest hydroelectric power stations and industrial enterprises, and who carried out the "green revolution" which made it possible on areas that are extremely arid and limited with respect to farming to produce a sufficient quantity of food, which is now even being exported.

It would seem that the transition to complete democracy in the RSA will now largely depend on the degree of responsibility and ability of the black and colored population or, rather, their leaders, to find mutual understanding with the white residents and provide them with reliable guarantees of peaceful and stable development.

Russia could make a contribution to a smooth transition here, taking into account its increased weight in international affairs, its resolute rejection of the support of pseudosocialistic ideology, and the confidence the Boers once placed in the Russians because of their aid in their fight for the independence of the RSA.

Russia has its own specific interest in this country. The RSA is an extremely large producer of food, and South African textiles are valued highly on the world market. The RSA also produces modern computers and agricultural equipment for farmers, various kinds of transportation equipment, and medications, and it is a major railroad center for exporting products from all of South Africa.

And the RSA itself needs timber and oil, space technology, and a skilled work force. At the exhibition called "Rand Easter Show," which will take place there in April, the exhibits presented by such Russian foreign trade organizations as Eksportles, Agrokhimeksport, Rosvneshtorg, and others will undoubtedly attract a great deal of attention from local businessmen.

One must also mention such a fine point as the possible emigration of surplus working hands from Russia. The RSA for its part is prepared to accept a certain number of new settlers, but they must be people capable of making a contribution to the development of the country's economy.

But on this path, as throughout the entire spectrum of relations between Russia and the RSA, there are still large traditional pot holes. A most-favored-nation status is needed in their bilateral relations and it is necessary to reduce the excessively high duties on transported shipments.

After a long interruption, the Russian embassy in the RSA is being reopened. Which Russians go there to work is extremely important. It is very important that they be people with a knowledge of market relations who can quickly set up mutually advantageous economic ties between the two countries.

It is also worth thinking about making the Russian embassy in the RSA a regional center for South Africa and closing a number of our diplomatic representations in neighboring countries, thus saving hard currency which is in critically short supply.

Italian Humanitarian Aid

924A0922B Moscow NEZAVISIMAYA GAZETA
in Russian 2 Apr 92 p 6

[Article by Marina Levashova: "The Italians Are Promising Us Millions of Dollars"]

[Text] We do not yet know the amounts of humanitarian aid Italian industrial workers intend to send to Moscow. According to Mrs. Saconna, president of the industrial workers of the Italian province of Marche, and Mr. Fiordomo, head of the OrSO Company, if this idea is seized upon by important representatives of Italian business, the sum of humanitarian aid will reach \$3 million. They have already held negotiations with the Moscow government, which will undertake to coordinate the actions of the Italians. They are now drawing up a list of state, private, and joint-stock enterprises

requiring emergency "resuscitation" for the delivery of the necessary equipment, spare parts, and so forth.

Even in the next few months the Italians will begin to build a "first aid" station for reequipping children's hospital No. 20 and they will participate in the creation of a special fund for paying stipends to creatively gifted youth.

CPSU Funding of French Communists Investigated

924C1216A Moscow *LITERATURNAYA GAZETA*
in Russian No 16, 15 Apr 92 p 9

[Article by Kirill Privalov, *LITERATURNAYA GAZETA* correspondent: "The 'Mortar' Fired at the Party's Money. French Special Services Knew About the Financial Relations of the CPSU with the FCP [French Communist Party], and Kept Quiet..."]

[Text] Today it is hardly a secret to anyone that regular subsidies to the French Communist Party [FCP] by the CPSU Central Committee are just the tip of the iceberg called the "communist treasury." Its foundation—which, we might add, has been little studied even to this day—consisted of actions on obtaining real property in France through front organizations, collection of funds in the course of so-called solidarity actions, and financial operations...

In this connection, the question arises: Could it be that the French authorities did not notice such activity? Could it be that the police and other special services in the country, a world leader among per capita law enforcement, never once took an interest in the monetary ties between the CPSU and the FCP?

"Everything that concerned the patrons of the FCP, their financial and commercial network and international relations, was taboo for the French special services,"

writes journalist Renee Duvall in the latest issue of the journal *CRAPUOIT* ["Mortar"]. "In compiling a dossier on communist leaders, they recorded data which they knew were false or which were extremely confused..."

It is incredible, but it is a fact! However, as Renee Duvall maintains, there was an explanation for this condescending attitude by the French authorities toward the fighters against the "dictatorship of the bourgeoisie." The cooperation of the de Gaulle special services and the communist leadership which had begun during World War II developed and became stronger in a new historical round. General de Gaulle came to power in June of 1958. His desire to put an end to the war in Algeria reflected the program of the French communists, who had from the beginning proclaimed it to be "dirty" and "colonialist." And this means the de Gaullists and the communists had a common enemy—racists, military conspirators who with the aid of terror tried to prolong the Algerian adventure.

The unspoken agreement on cooperation between the leadership of the FCP and the government special services was in effect even in the late 60's. It is true, during that period the common "object of hatred" for the communists and the secret service men was already different—the Maoists and the representatives of the leftist movements. There was an active exchange of information: The communist leaders supplied the police and the intelligence service with data on the Trotskyites and other leftists, while the authorities provided information on the anti-communist intentions of the "ultra" left. One does not need to be an outstanding analyst to understand that one of the conditions of such cooperation was the special services' overlooking for the time being the stream which did not dry out, and which quietly flowed from the Old Square into the secret accounts of the FCP leaders.

But where are they, these accounts?

COMMONWEALTH AFFAIRS

Former Premier Ryzhkov Backs CIS Coordinating Body

92UN1160A Moscow NEZAVISIMAYA GAZETA in Russian 7 Apr 92 p 2

[Article by USSR Ex-Premier Nikolay Ryzhkov: "'The Commonwealth Is not Viable in its Current Form'—Nikolay Ryzhkov—USSR Ex-Premier Advocates the Creation of a CIS Coordinating Body"]

[Text] Nikolay Ryzhkov spoke at the forum "Future Democracy in Europe" in Paris on Saturday. The forum was organized by POLITIQUE INTERNATIONALE magazine with NEZAVISIMAYA GAZETA's assistance. We are publishing the former USSR prime minister's April Theses.

Opinion

The birth of the CIS, as we all know, was quite rapid and spontaneous and, in my view, did not have legal force. The main goal was to destroy the Center. There was no practically developed structure of the Commonwealth, coordinating bodies, or precisely elaborated coordination mechanisms.

As a result, the decisions made by the leaders of the CIS countries are primarily declarative in nature.

The Commonwealth is not viable in the form in which it now exists. It will be not a confederation of interdependent states but a club where issues will be discussed that are not mandatory for execution. The CIS cannot exist for long in that form and each state will strive to have bilateral treaties.

The path which could stop the destructive trends is the creation of an effective coordinating body. It is absolutely necessary in this case for the states to forgo a portion of their sovereignty.

Of course, the coordinating body must not equal the central power of the USSR. It is unrealistic to reanimate the Union in its previous form.

The second variation is the creation of two blocs from the CIS countries. One bloc is Russia, Byelarus and Kazakhstan. The other bloc is the states of Central Asia. Here we must not rule out the Islamic factor. The creation of these blocs will permit the unification of the states with nuclear weapons and to create major economic and political zones under certain conditions. At the same time, the creation of blocs will finally put an end to the single political and economic space.

In any event, the one and the same question remains—the relations of Russia and Ukraine. The future fate of the former republics primarily depends on them.

The third variation. The crisis of the CIS is deepening. The main thing in this is the uncontrollability of the

military-political, economic, energy, transport, customs, legal, and other issues. As a result, all of this naturally leads toward a process of state isolation with all of the consequences that ensue.

One more very complex issue is the fate of Russia. The centrifugal forces that have destroyed the Soviet Union are beginning to operate here. The political issues associated with the sovereignty of the former autonomous republics, krays and oblasts are the primary threat.

We need to resolve this issue, but not through forceful methods as they attempted to do with Checheniya and not through prohibitions as it was on the eve of the referendum in Tatarstan, but through the creation of favorable political and economic conditions for all of the federation's regions. The political wisdom of the Russian leadership must also be in this.

Russian Official Views CIS Customs Cooperation Agreement

92UN1160B Moscow IZVESTIYA in Russian 13 Apr 92 Morning Edition p 6

[Article by IZVESTIYA Correspondent Valeriy Yakov: "It Has Been Decided to Preserve the Single Customs Space"]

[Text] The Agreement on Transit Freight Customs Processing Procedures, which was signed several days ago in Alma-Ata by customs service representatives of nine republics, begins to take effect on the territory of the CIS in the next few days. The Baltic states have refrained from participating in the agreement and representatives of Ukraine and Moldova also have not signed it.

Russian State Customs Committee Deputy Chairman Sergey Bekov comments on the adopted document.

[Bekov] The essence of the agreement consists of the fact that the parties who have signed this agreement have a single procedure for processing transit freight, and a single standard of customs tax collections and a single customs declaration form. That is, freight that is imported into these countries or is exported from them passes through based on these single customs documents and therefore there is no longer a need for intermediate delays of this freight for additional processing. Well, say, a train with cotton is going from Uzbekistan to Byelarus, this freight is processed in Tashkent, the customs tax collection occurs there, the train is sealed and continues to travel across our country, say, to Mogilev. There will be no additional processing or collections whatsoever along its travel route.

Thus, the parties who have signed the document have created a single customs space.

[Yakov] But, as far as I understand it, Ukraine, Moldova and the Baltic states have been left outside this space. How will you cooperate with us?

[Bekov] Just like we do with, say, Germany, Sweden, or any other country. But, I must point out that the agreement provides an opportunity for these republics to accede to this agreement if they should make such a decision. Incidentally, Ukraine and the Baltic states did not sign the Agreement on Transit but Moldova placed its signature on that document but did not send its representative to the ratification of this agreement.

These republics do not gain anything from this position and, in any event, I think that both they and we are interested in easing the passage of freight. We are really talking not simply about one-time shipments but about railway trains, large cargo aircraft, and seagoing ships.

The creation of a single customs space is extremely important for this enormous country with its continuous and high-capacity freight flows.

[Yakov] Obviously, we need to understand that this agreement will facilitate cooperation of not only the customs services?

[Bekov] First of all of manufacturers, transport workers and, I would say, consumers. The economic mechanism is being simplified and the need for numerous intermediaries is no longer relevant. By way of illustration, take the output of automobiles: an enormous number of parts producing plants in the various corners of the CIS participate in it. Now the passage of their freight has been significantly simplified as a result of the force of this agreement. It affects not only state structures but also commercial and private—everyone who is involved with the movement of freight. It is also extremely important to stress that this is a document of direct force and it does not need any kind of instructions, operating mechanism, or additional commentary. We are distributing it to all customs agents and they are beginning to work based on it.

Black Sea Fleet Negotiations Viewed

PM1004144592 Moscow KRASNAYA ZVEZDA
in Russian 10 Apr 92 pp 1, 3

[Report by Captain Second Rank V. Urban and Captain Second Rank V. Pasyakin: "Fleet Should Steadfastly Withstand the Politicians' Battles. Boris Yeltsin and Leonid Kravchuk Have Agreed To Suspend the Operation of Their Decrees on the Black Sea Fleet."]

[Text] The talks that started in Sevastopol on 8 April between a delegation of the CIS Joint Armed Forces High Command (led by Admiral of the Fleet Vladimir Chernavin, commander of the Navy) and a Ukrainian delegation headed by Vasiliy Durdinets, deputy chairman of the republic Supreme Soviet, proceeded against the background of an unconcealed campaign of rivalry over the Black Sea Fleet.

Thus President Kravchuk stated at the session of parliament in Kiev on 8 April that the Black Sea Fleet, which is based in Ukrainian ports, should be Ukrainian.

"Admirals Igor Kasatonov and Vladimir Chernavin and officers and men asked the Russian leadership for the kind of solution to this issue affecting them as is proposed in the recent Yeltsin decree transferring the Black Sea Fleet to Russian jurisdiction under the command of the CIS Joint Armed Forces commander in chief," Iona Andronov, participant in the Sixth Congress of People's Deputies of the Russian Federation under way in Moscow and deputy chairman of the parliamentary International Affairs Committee, who traveled to the Crimea and the Dniester region with Vice President Aleksandr Rutskoy, reported in an RIA interview.

But the very fact of the talks was already encouraging, since the CIS Joint Armed Forces High Command delegation arrived in Sevastopol at the request of the Ukrainian president. As the talks were held behind closed doors, it is difficult as yet to draw any kind of conclusions. Judging by the commentaries of participants whom I was able to meet during a recess and the reports issued after the first day of the talks, the delegations have so far only exchanged opinions regarding their basic approaches to setting up a Ukrainian Navy.

True, Vasiliy Durdinets, first deputy chairman of the Ukrainian Supreme Soviet, did not fail to remind people that he regards the Russian president's decree taking the Black Sea Fleet under Russian jurisdiction as a gross violation of international rights and as interference in the affairs of a sovereign state.

It has also become known that a list of priority issues which must be solved was prepared on the first day. Regarding practical questions, the sides agreed that ships of the Black Sea Fleet would not, as planned earlier, raise the flag of St. Andrew on 9 April. And second, they agreed to create suitable conditions for the work of the commander of the Ukrainian Navy and, in particular, to change the wording of the order by Admiral Igor Kasatonov, commander of the Black Sea Fleet, relieving from the post of commander of the Crimean Naval Base Rear Admiral Boris Kozhin, who was subsequently appointed commander of the republic Navy by decree of Leonid Kravchuk.

In his first interview as commander, Rear Admiral Kozhin formulated the tasks facing the Ukrainian Navy as follows: the maintenance of a favorable operational situation in the region and the safeguarding and defense of the sea lanes and maritime borders of Ukraine. The Navy will not be strategic. The numerical and qualitative makeup of the Ukrainian Navy will also be determined in accordance with these tasks. As yet, however, Rear Admiral Kozhin is a commander without troops, as it were. The prime task confronting him today is to create command and control structures for the Ukrainian Navy. Order No. 2 issued by Kozhin relates to the creation of Navy headquarters, which, in his opinion, should be located in Sevastopol.

Numerous pickets from the Republican Movement of Crimea and Rukh assembled with their flags near the

city soviet building, where the talks were being held. Heated disputes developing into chanting of their demands, slogans, shouts... The confrontational situation did not lead to excesses only because it was kept under control by a militia cordon.

At 1000 hours on 9 April the delegations sat down at the negotiating table again. As KRASNAYA ZVEZDA has learned, they were to have adopted a joint appeal. But the Ukrainian side did not eventually sign the draft submitted by Admiral of the Fleet Chernavin. The talks ended at this point. Judging by all accounts, the subsequent contacts will be held at Russian and Ukrainian Foreign Ministry level.

The reason for this is primarily down to the following: Boris Yeltsin and Leonid Kravchuk twice conversed by telephone on Thursday and agreed to suspend the operation of their decrees on the Black Sea Fleet. As has become known, the Russian president reported this at a council of deputies' factions during a session of the Sixth Congress of People's Deputies of the Russian Federation.

In line with this accord, a commission of deputies of the two states will be set up to settle the contentious issues of the Fleet's affiliation.

Meanwhile, according to independent observers, a new upsurge in conflict over the Fleet could occur after the Crimean-wide referendum, if it takes place.

On 9 April it is planned to hold in Simferopol a session of the Crimean Central Electoral Commission devoted to the referendum. After examining the validity of the basic question of the referendum—the independence of Crimea in union with other states—and establishing the authenticity of the signatures gathered, the commission is to submit its decision on holding the referendum and convey its findings for examination by the Supreme Soviet Presidium of Crimea. We are not yet apprised of the results of the session.

It is the sailors themselves, however, who are most worried about their future if the Fleet is actually split up. The news that the Ukrainian government has allocated funds to the Black Sea Shipbuilding Plant (in the city of Nikolayev) to break up the thus-far assembled section of the heavy aircraft-carrying cruiser Ulyanovsk is being commented on in a pretty contradictory way. It is thought that the proportion of hard currency which it will receive from the sale of metal from the scrapped Ulyanovsk will help alleviate the plant's financial position. It is thought in the Fleet that this could happen with many ships currently operating if it is handed over to Ukraine.

ECONOMIC AFFAIRS

Aviation Workers' Unions Established

924A0940A Moscow VOZDUSHNYY TRANSPORT
in Russian No 14, Apr 92 p 2

[News item on formation of aviation workers' unions: "Chronicle"]

[Text] Reporting-electoral conferences and congresses of aviation workers' trade unions were held in the independent states.

ARMENIA

A republic trade union committee was elected.

Leonid Araksovich Muradyan was elected committee chairman, and Liparit Gareginovich Torosyan was elected secretary.

AZERBAIJAN

A republic trade union committee was elected.

Dzhamir Dzhaligly Askerov was elected committee chairman, and Oktay Bakhtiarogly Aliyev was elected deputy chairman.

BYELARUS

A republic trade union committee was elected.

Mikhail Antonovich Maysyuk was elected committee chairman, and Aleksandr Grigoryevich Mashurovskiy was elected deputy chairman.

KAZAKHSTAN

A trade union Central Committee was created.

Valeriy Mikhaylovich Sitdikov was elected committee chairman, and Leonid Vladimirovich Khvorov was elected deputy chairman.

KYRGYZSTAN

A republic trade union committee was elected.

Bolot Akayevich Akayev was elected committee chairman.

LATVIA

The Federation of Aviation Workers' Trade Unions was created.

Ivan Platonovich Shcherbak was elected Federation Council chairman, and Fedor Mikhaylovich Khudyakov was elected deputy chairman.

MOLDOVA

A republic trade union committee was elected which unites the workers of plants, the weather service, and DOSAAF [Voluntary Society for the Promotion of the Army, Aviation and Navy], with a total trade union

membership of 2,500 persons. Gennadiy Andreyevich Posokhin was elected committee chairman.

A trade union for Moldovan Republic air transport workers was created, uniting over 3,000 trade union members. Its management organ is the Republic Trade Union Council.

Viktor Vasilyevich Tolmachev was elected council chairman.

TAJIKISTAN

The powers and authorities of the republic trade union committee were extended.

Mamadzhan Sangovich Rakhimov is the committee chairman, and Sergey Sergeyevich Vostokin is the secretary.

UZBEKISTAN

The powers and authorities of the republic trade union committee were extended.

Vitaliy Semenovich Melnikov is the committee chairman, and Leonid Ivanovich Glushko is the secretary.

UKRAINE

A trade union Central Committee was created.

Ivan Davydovich Zvinnik was elected committee chairman, and Stanislav Slekseyevich Akimov was elected deputy chairman.

TURKMENISTAN

As of 5 March 1992, the successor of the republic trade union committee became the Council of Chairmen of Primary Organization Trade Unions. Aleksandr Vladimirovich Demkov was elected chairman of this council.

RUSSIA

The Federation of Aviation Workers' Trade Unions was created.

Boris Alekseyevich Kremnev was elected chairman of the Federation Council, and Oleg Petrovich Zudin was elected deputy chairman.

ESTONIA

The constituent conference on the creation of the Estonian Aviation Workers' Trade Union was held on 26 February in Tallinn. It will unite 1,520 members. Aside from workers of the state aviation company, the trade union also includes the workers of Gidromet (weather service) and the flying club. The question of including air traffic controllers is being reviewed. As of 1990, flight crews (160 persons) belong to a different trade union.

The conference delegates also reviewed a draft of a collective agreement for 1992. However, it was not

signed due to the principle differences with the aviation company administration. The next review of the draft was re-scheduled for June.

GEORGIA

Having announced the need for reforming the activity of the Georgian Republic Aviation Workers' Trade Union Committee two years ago, an initiative group comprised of activists from the Tbilisi OAO (not expanded) trade union achieved its dismissal. Full independence of the republic's aviation enterprise trade unions from the Aviation Workers' Trade Union Central Committee was declared. However, efforts to create a new Georgian aviation workers' trade organization were fruitless.

For purposes of consolidating trade union actions for the protection of social interests of aviation workers and for the development of unified approaches in demands to employers, the Sukhumi Aviation Enterprise trade union asked that it be granted membership in the MOPavia (International Association of Aviation Trade Unions). An agreement to this effect was concluded at the end of February.

International Aviation Firm Highlighted

924A0940B Moscow VOZDUSHNYY TRANSPORT
in Russian No 14, Apr 92 p 13

[Interview with Yuriy Zinchenko, general director of the "International Aviation Exchange" company, conducted by correspondent Yu. Ostapenko: "To Sell Goods With Profit for All"]

[Text] That is how the exchange must work, believes the general director of the International Aviation Exchange Company, Yuriy Zinchenko.

[Correspondent] Yuriy Nikolayevich, in a time of general shortage and abundance of exchanges, the emergence of an aviation exchange has evoked dual interest among our readers, which may be expressed by the phrase "finally," as well as by the words, "one more?"

[Zinchenko] Yes, in October of 1991 the "Aeroflot" commercial stockholder's bank, the "Sirena-3" consortium, the GA (Civil Aviation) Main Computer Center, the "Aviazakaz" joint-stock company, the "Aviatekhsnab" association and certain other organizations founded a company—the International Aviation Exchange. I must emphasize—this is a company. That is, an organization which among its other endeavors engages in exchange operations. So this is not an exchange in its pure form.

Well, and now about the essence of the matter. Allow me to disagree with the part of your question regarding a general shortage. Just look at your television—there are advertisements: We will sell, we are offering, prices are published in the newspapers on everything—from automobiles to needles. Go into the commercial stores—they are far from empty. It seems the question is one of prices.

They are unjustifiably high, astronomical in the opinion of the average resident of the former USSR. The USSR has faded into the past, along with the deformed system of centralized supply and the centralized setting of prices which have crippled both the economy and the consciousness of the people, who are convinced that bread must cost 16 kopeks, and meat should cost 2 rubles per kilogram. But this is already politics. We, however, are businessmen, and in normal commerce the price is always set by the market, and the essence of trading on the market is to perform buying and selling operations with benefit to both sides.

[Correspondent] For both—that is when there is a seller of apples at the bazaar and me, the buyer. In our case, a third side also emerges. I am referring to the exchange.

[Zinchenko] The market is not a bazaar. In a normally functioning economic system the producer engages in the manufacture of products, and may distribute a certain portion of them by direct agreements (orders), but the greatest part of the goods he sells through middlemen—brokerage houses, trade houses, exchanges, etc. This is faster, cheaper and more reliable. Since only the exchange knows where aircraft casings manufactured in Munich, in Ankara, Singapore or Moscow are needed today, and what price the buyer is willing to pay for them.

[Correspondent] These, I presume, are selections. But we must talk in greater detail about the price. The fact is that the price on everything: Airplanes, fuel, electrical energy, spare parts, buildings and structures, etc.—was a secret closely kept from the overwhelming number of aviation workers. Well, of course the commander, the head bookkeeper, and the planner knew these sums—but that was all. The rank-and-file technician, dispatcher, and refueller were kept far away from all this. Not by the commander, but by the system. And now, when most of the brigades have found themselves facing financial collapse, the prices on airplanes, motors, rubber, and spare parts have suddenly come to light in the exchange quotes—and all with a large number of zeroes.

[Zinchenko] Well, you understand that it is not the exchange which sets the price, but the producer. At first glance, the prices really are exorbitant. Of course, we see here the reaction of the producer to the repeal of the practice of setting firm prices by the department, the government, i.e., the bureaucrat, which had been instituted for decades. And now—here you are—freedom! And so the producers are now factoring into the goods all their expenses, miscalculations, low labor productivity, etc. And since the overwhelming part of them are monopolists, there is nowhere else to go. For now they, the producers, dictate the prices. It seems the question now lies with the enterprises. We need competition. Then the price will begin to creep downward.

[Correspondent] Let us return to the matters of the International Aviation Exchange.

[Zinchenko] Let us.

[Correspondent] Could you tell our readers about its goals and tasks, Yuriy Nikolayevich?

[Zinchenko] Within the system of civil aviation which operates in the single economic space of the CIS, we want to aid in the creation of conditions for free and optimal redistribution of material-technical resources and for their most effective application by all subjects of the sector.

We intend to facilitate the activation of the process of involving products, work and services into the national economic commodity exchange.

One of the main purposes of the exchange is to aid in the formulation of realistic and fair prices on aviation and other work and services of domestic enterprises in the CIS as well as abroad.

Thanks to the International Aviation Exchange (MAB), we will be able to establish business contacts between domestic and foreign firms, organizations and specialists, and to engage the cooperation of the business circles of various countries.

The goals and tasks of the MAB are expressed in its charter. It is difficult to paraphrase all of it, because those who want to become participants in the company or to participate in exchange auctions may familiarize themselves with it in greater detail. The telephone numbers to call for information are: 155-62-74 and 155-64-75.

[Correspondent] All right. And who can become a participant in the International Aviation Exchange Company?

[Zinchenko] Our company is a closed type company, and a legal person accepted by the founder's council into MAB membership who pays initiation dues in the amount of no less than 1 million rubles [R] (minimal founder's contribution) may become a member. An MAB participant has the right to obtain one brokerage seat on the MAB, and to receive profits in the form of dividends on the sum of his contributed share.

[Correspondent] Can you tell us more specifically, Yuriy Nikolayevich, about how an ordinary, rank-and-file, aviation enterprise of the former MGA [Ministry of Civil Aviation] can become an exchange participant?

[Zinchenko] For MAB participants who are subjects of the aviation sector (enterprises in GA [civil aviation], MAP [Ministry of the Aviation Industry], aviation companies, etc.) the following benefits have been established by decision of the founder's council: Payment of the initial dues may be made prior to 10 January 92; free granting of a brokerage seat.

[Correspondent] It seems we understand this. Now about how the exchange works. After all, to the overwhelming majority of us, to those who have been called the simple Soviet man—this is a deep, dark mystery.

[Zinchenko] Auctions are the basic form of exchange activity. They are held here in Moscow, on Leningrad Prospect 37, in the large hall of the Civil Aviation Main Computer Center, where the MAB is currently located. The auctions are held once a week, on Wednesdays.

[Correspondent] How are the auctions organized?

[Zinchenko] The companies and enterprises present their goods (services may also be goods) for the next auction, along with the prices on them. The brokers take bids for the auctions, look for buyers, and conclude deals.

So that anyone who wants to may send in an application to participate in the auctions—both sellers and buyers. The information is available at the same telephone numbers which I indicated earlier.

There is an entry fee to the auctions.

[Correspondent] How many auctions have you held already?

[Zinchenko] Seven.

[Correspondent] Well, and now tell us about what you sell, and at what prices.

[Zinchenko] Like any exchange, we have a specialization. Ours is specifically aviation. Although we will accept almost any goods for the auctions. For example, on 25 December the MP "Veda" put up for the auctions vacuum cleaners, personal computers, Italian shoes, and sports bags.

At the March auction we had exhibited for sale installations for brick production, metallic trade booths, off-set printing paper, etc. I say this especially for the managers of the detachments and aviation companies—you can buy anything from us, if not at these auctions, then at the next ones. We will find practically any goods for the buyer.

But once again I repeat: It is not these products which determine our profile. The main thing is aviation technology, equipment, services, and repair.

[Correspondent] Let us tell the readers about this in greater detail. The types of technology and the price. For the auctions this year, obviously after the "release" of prices.

[Zinchenko] All right. Shall we begin with airplanes and helicopters?

[Correspondent] Yes.

[Zinchenko] In February there were three L-410 UVP-E aircraft offered for sale at the auctions, at a cost of \$1,495,000 USA (or barter), one AN2 airplane for \$180,000, one An-28 aircraft at \$1,852,000, a "Sokol" V-3 helicopter valued at \$2,368,000. As you can see, the seller wants to get as much in currency as he can. The bids were not sold.

At the December auctions, airplanes were offered for currency—the "Dromader" for \$184,000, the "Vilga" for \$71,000, and the "Meva" for \$235,000.

And here is what there was for rubles (auctions of 29 January). An An-2T aircraft (produced in Poland, 1973) with a total accumulated flight time of 9,210 hours for R850, and a 1970 An-2P with flight time of 17,170 hours—for R250,000.

[Correspondent] And what about heavy equipment?

[Zinchenko] There was some at the December auctions, but I believe these prices are not indicative now.

[Correspondent] Nevertheless...

[Zinchenko] The "Avial" aviation company presented the Tu-154M, An-12, and Ip76TD aircraft for sale at a price of R25 million, R3 million and R35 million, respectively.

[Correspondent] That is impressive... And how do the prices on repair look?

[Zinchenko] Write them down. For those who wish it, the 411th civil aviation plant, Minvod, is able to repair the Tu-154B (B-1, B-2, M) at a cost of R10-17 million, depending on the modification (March auctions). In February this same 411th offered to repair this same equipment for foreign clients, but with payment in currency (\$1.2-\$1.5 million).

And the Taganrog Plant (of the former Ministry of the Aviation Industry) is offering to repair An-12 aircraft for a sum of from R618,000 to R797,000, depending on the modification.

The aviation repair plant in Ivanovo, also from the MAP system, is ready to repair the An-24 and An-26 for R850,000.

So, as you can see, the emergence onto the labor and services market of producers from other departments which were at one time closed, expands the opportunities of the users.

[Correspondent] I have written it down and am bringing it to the attention of the users. And now about services. What kinds of goods are these for auctions?

[Zinchenko] I believe that this is one of the most promising types of goods, and that its volume at auctions will increase in the future. Here is an example. The pilots from Domodedovo are ready to fly one route a month along the route of Moscow-Vladivostok-Moscow on an Il-76 airplane with a load of 35 tonnes in each direction. The payment in non-cash accounting for this is R890,000. But there are few offers in rubles. The owners of the equipment want to have hard currency, and this is understandable, since leasing of aircraft with crew is very popular today on the world market. This is why the experienced pilots from Sheremetyevo are offering their Il-76 with three crews and technical support group (25

persons) for one hour of flight time at a rate of \$1,900 in U.S. dollars. The owners are guaranteeing 180 hours of flight time per month.

That very same Domodedovo is ready to perform flights along the route of Moscow-Damascus once a month with a load of at least 20 tonnes for \$20,000 (plus tax).

These are the valuations.

[Correspondent] Well, it is difficult for those who do not have currency, and when domestic producers and users do not even want to see the domestic monetary unit...

[Zinchenko] This question does not apply to me. I believe this is evidence not only of a very deep economic crisis, but also of a serious illness in the financial system of the entire country, or more precisely, the group of countries utilizing the ruble. But let us go on, if you are interested.

[Correspondent] And how!

[Zinchenko] Well, there is the following type of service: Telephone subscription for service to up to three locations a day, with orders placed the previous day or on the day of the flight, but at least 12 hours prior to flight time, operating along routes from Moscow to Yakutsk, Petropavlovsk, Khabarovsk, Magadan, and Vladivostok. Such a subscription costs R200,000 a year (not counting the 28-percent tax).

[Correspondent] And is there a demand for this at the auction?

[Zinchenko] Of course! At the March auctions there was an order for two Mi-8 helicopters. The buyer was ready to pay from R8 million to R9 million for them. There is a constant demand for Il-76 and Il-76TD aircraft, and one order has been received for an Il-62M. I believe we will locate these goods. There is also a demand for services. Thus, for example, one foreign firm would like to buy a route to the Near East. The price is negotiable. In short from one auction to the next the circle of MAB interests is being expanded, and we hope that in the near future the results of our activity will attract new clients to us.

[Correspondent] Yuriy Nikolayevich, our readers have asked in their letters to the editor that we print the exchange quotes on goods of aviation description, so that they would have at least some reference point in this sea of the market. Understandable, these prices would be approximate, but nevertheless...

[Zinchenko] I believe we will be able to do this.

[Correspondent] And one more thing. What is the capital turnover at the auctions?

[Zinchenko] We are only beginning, and therefore it varies: From R500,000 to R30 million.

[Correspondent] Well, we have made our first acquaintance, Yuriy Nikolayevich. Let us cooperate, performing

a common deed in some measure. After all, we too are working toward getting our sector up on its feet as soon as possible.

[Zinchenko] The exchange is ready to cooperate for mutual benefit.

[Correspondent] Thank you for talking with us. Until we meet again.

Railroad Track Wear Factors Analyzed

924A0945A Moscow PUT I PUTEVOYE

KHOZYAYSTVO in Russian No 1, Jan 92 pp 2-3

[Article by A. N. Nikulin, deputy chief of the Transbaykal Railroad, and L. D. Novgorodov, deputy chief of Track Service: "We Are Trying To Lessen the Wear on the Rails"]

[Text] The intensity of wear on rails and wheelpair flanges has risen sharply in the last few years on the Transbaykal Railroad, just as on a number of other mainlines. While in 1985 there were only 698 rails on our tracks with maximum lateral wear, in 1989 there were already 10,160, and in 1990—12,288. At the same time, the number of rails removed because of wear increased sharply: from 92 pieces in 1985 to 9,102 in 1990. Also noteworthy is the fact that, while up to 1988 the switch assemblies laid on the straight sections had no lateral wear within the limits of the curves of the switches, in 1989 lateral wear of from 4 to 12 mm appeared on 397 of them.

What are the reasons for the increased wear of the rails and wheels. One of the main ones lies in the many curved sections, which constitute 38.2 percent of the developed length of the track, and on the Mogocha and Skovorodino divisions—respectively 49.4 and 45.2 percent. The extent of curves with a radius of 299 m and less is 0.3 percent, 300-650 m—22 percent, 651-1,200 m—10 percent and with a radius of over 1200 m—5.7 percent.

The profile of the line makes it possible to drive trains weighing up to 8,000 tonnes, using pushers only on individual sections. During the period from 1984 to 1990, freight turnover rose by 10 percent, and the average weight of a freight train rose by 92 tonnes (mainly because of the increase in the number of trains with weight increased to 6,000 and 8,000 tonnes). Heavy and combined trains constituted more than 11 percent. They mainly consist of eight-axle tank cars and coal gondolas.

An investigation made by specialists of the railroad and the VNIIZhT [All-Union Railroad Transport Scientific Research Institute], showed that the conditions for supporting the tank of an eight-axle tank car on a connecting beam must be improved. In 1990 they began to install polymer liners in the pivot joint for this purpose.

From 1985 to 1990, the dynamic load on cars was raised by 5 percent. Up to 76 tonnes of coal were loaded in the

cars, which created the preconditions for overloads. At the same time, the line speed was reduced somewhat. This is mainly because of the electrification of the line.

The proportion of hardened rails in the overall volume of supply during these five years dropped from 88.5 to 69.4 percent, and 21 percent fewer rails 25 m long were obtained. The seams at the welded places in the short rails have an extremely unfavorable effect on their operating stability, particularly on curves, where almost every third rail has welded butt joints, and on the outer line of rails, where every sixth rail on the average is welded.

Under these conditions, the service life of rails, expressed as mileage-tonnage, until normal lateral wear of 15 mm develops, with the same quality of track aligning, amount of outer rail raise and wheel width as before, dropped 4-5-fold, and on some sections is only 20-40 million gross tonnes. For example, on steep curves, the average mileage-tonnage of type R65 rails on the average for the road in 1984 was 300 million tonnes, in 1985—180, in 1986—90, in 1987—80, in 1988—75, in 1989—60 and in 1990—60 million tons.

In 1988-1989, our mainline studied methods of slowing down lateral wear on rails. On 20 curves of the Taldan District, along the up track, with greater freight-traffic density, the outer-rail raise was increased from the designed 80 mm to 120 mm. The wear intensiveness was not reduced, however.

For a number of curves, the rodding was assembled with a different track gauge. The first results of the checking showed that, given the low speeds in effect on curved sections, a wider gauge leads to a greater skew of the bogies and increase in the angle of attack on the outer rail and, as a result, to accelerated wear. For example, on one curve (radius 347 m, track gauge 1,620 mm, raise 60 mm, average speed 51 km/hr), the intensity of the lateral wear reached 2 mm per 10 million tonnes of freight, and on the other (radius 314 m, track gauge 1,530 mm, raise 60 mm, average speed 41 km/hr)—3 mm per 10 million tonnes, while on the average for the road it was about 1 mm per 10 million tonnes.

The attempt, in September 1988, to install tracks with a gauge of 1,540 mm on some curves with a radius of less than 300 m on the Petrovsk-Zavodsk District, ended in failure. As early as December, the gauge had to be changed on the curves, since the lateral wear reached 8-9 mm with the corresponding widening of the gauge. With the shortage of ties and the enforced laying of a considerable proportion of old ties during capital repair, frequent changing of the gauge can create a threat to the safety of traffic because of the possible spring back or overturning of the outer rail of the line on curves.

Tests of various gauges are continuing on the Borzva Division, where there is comparatively low freight-traffic density.

A certain reduction in lateral wear on rails can be expected from replacing the 2TE10V diesel locomotives with VL80 electric locomotives, on which the wheelpair flanges wear more slowly (see table).

Loco- motives	Intensity of wheel flange wear, mm per 10,000 km of run				
	1985	1986	1987	1988	1989
2TE10V diesel locomotive	0.57	0.68	1.87	2.43	2.61
VL80 electric locomotive	0.30	0.55	0.32	1.80	1.97

In order to reduce the rate of lateral wear at switch assemblies, in 1989-1990, 63 of them were taken from curved to straight sections (Fig. 1) and on 13, the track was straightened in the plan (Fig. 2). This heightened train traffic safety and increased the service life of the points and the stock rails by a factor of 2.5-3.5.

A number of measures are now being worked out to prevent wear, in particular, the use of rail lubrication, a change in the amount of outer-rail canting, and an improvement in the placement of the track in the plan. In the near future, we intend to introduce regular lubrication of the rails on all curves, by means of special cars, developed on the railroad, and to arrange the use of the

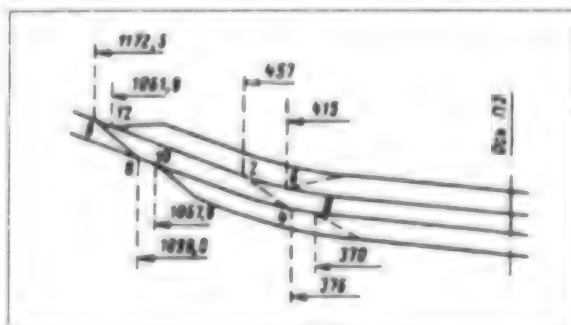


Fig. 1

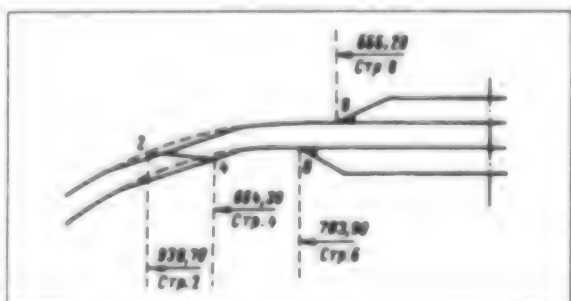


Fig. 2

new rails coming to us, after establishing monitoring of their hardness and sorting them according to this indicator, before laying.

In our opinion, the lowering of line speeds must be stopped, or at least, the issuing of warnings on speed restrictions due to above-normal wear must be eliminated through prompt replacement of rails; for this there must be not only an increase in the supply of rails, but also a heightening of their hardness.

In addition, VNIIZhT must be quicker to make a study of the possibility of relaying rails with a small amount of wear from curves on straight sections or on the inner line of the curves, in order to concentrate the laying of new rails on the outer lines of the curves.

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Track Maintenance Operations Examined

924A0943A Moscow GUDOK in Russian 1 Apr 92 p 2

[Interview with Vladimir Petrovich Kozubets, deputy chief of Track Service of the Dnepr Railroad, by S. Zhuzhgin, GUDOK correspondent: "Submission Comes with Patience, Not All of a Sudden"; Dnepropetrovsk; date of interview not given]

[Text] A busy season is coming for track-repair work with the arrival of spring. Ukrainian railroad workers will now, for the first time, perform this very important task out of touch with ministry plans and centralized sources of material and technical supply—in a word, at their own risk and responsibility, particularly since the newly-appeared state administration, Ukrzaliznytsya, which came forth on the territory of the republic as a successor to the central staff of the sector, is not yet in a position to cope fully with the critical functions.

Just what are the special features of the track rush period, the possibilities of providing everything that is needed, the real scale of putting the rails into a healthy state this season? I turned with these questions to Vladimir Petrovich Kozubets, deputy chief of Track Service for the Dnepr Railroad.

[Kozubets] This year we have outlined capital repair of 220 kilometers of track on reinforced concrete ties and 100 on wooden ties. This is quite enough to ensure train traffic safety. We have at our disposal a powerful track-repair base, excellently equipped with varied equipment and experienced, highly professional collectives.

It is to materials that all our problems are related. As far as the reinforced concrete is concerned, the problems here are, to all appearances, soluble. The Kremenchug Plant punctually supplies the necessary number of ties. They have recently begun to come through with reinforced concrete beams, on which we have experience in laying switch assemblies. On the other hand, there is all sorts of trouble with wooden ties. Today the road has in

its portfolio only a general distribution of 220,000 pieces. The contracts have not yet been concluded.

[Zhuzhgin] Is wood now fabulously expensive?

[Kozubets] Yes, just two years ago one tie cost us approximately 8-10 rubles [R]. Now the Novomoskovsk Wood Impregnation Plant has been idle for over a month. Before it shut down, "white" ties were going for a price of R250 per piece there, while reinforced concrete ones cost 100 more. Now there has been a polar change in the price situation. As I found out from the deputy chief of the Track Service of the Southeastern Railroad, the new price is already R505, and it is hardly the final one.

[Zhuzhgin] With such a severe price policy, perhaps there will be an incentive to have another think about prolonging the service life of the track elements?

[Kozubets] The Dnepr Railroad has two main runs—the Crimean, where reinforced concrete-tie track is laid, and the Donbass-Krivbass—on wooden ties. The first is regarded mainly as a passenger, more first-class route.

It is not advisable to lay reinforced concrete on the Donbass-Krivbass route, because the main transport is related to coal and ore. As we know, these are strong contaminants. In addition, because of the heavy loads on the track, the fasteners and rails get out of order rapidly. In general, in approximately five years, both the wooden ties and the rails and fasteners become worn out and subject to complete replacement at the same time.

Until wood became cheaper than reinforced concrete, using it on this route was unjustified. Today the economy suggests that new approaches should be sought to this problem.

[Zhuzhgin] It is probably worth thinking about whether the cars should be loaded with a "cap," and whether their static load should continue to be increased? This is something for the car builders to ponder over, too: the density of the butt joints of the gondola bodies, through which the freight spills.

[Kozubets] Absolutely. There are sufficient grounds for thinking about the future. Apparently the track workers are gradually beginning to narrow the polygon of laying wooden ties and beams. The situation will stay as it is for some time, however. Submission comes with patience, not all of a sudden—particularly since there are sections that are not suitable for laying reinforced concrete—on bridges, the approaches to them and a number of other sections.

[Zhuzhgin] One must realize that wood was and still is the biggest problem. How is the situation with metal—surely it is simpler.

[Kozubets] The track workers have so far expressed no obvious worry about the provision of rails and switch assemblies, although here too not everything is going smoothly. In the first quarter, the metallurgists supplied

us with the full norm—60-65 kilometers, that is, one-fourth of that needed. There was a time, though, when the road management had to stop shipping rails because of their high cost.

[Zhuzhgin] Incidentally, how much does a 25-meter rail "draw" now?

[Kozubets] It used to cost approximately R730. With the release of prices, however, the manufacturers asked R20,700, which was the reason for the telegram of refusal sent to Azovstal.

Apparently, not only the Dnepr Railroad, but other mainlines as well rose up against the excessive appetites of the metallurgists, because a short time later, the latter reduced them.

[Zhuzhgin] This means that we have rails and reinforced concrete ties as well. Will this enable us to start all over again, in beginning our repair work?

[Kozubets] I understand what you have in mind. Of course, the old problem of fasteners remains. In this period last year, we had on the order of 60 kilometers of enclosed grid at the PMS [track machine station] bases. Now it is somewhere in the range of 40. There is no double-coil washer. Two plants make it—the Druzhkovka and the Magnitogorsk. In this case, both enterprises get the semi-finished piece, the trapezoidal rod in coils, from Beloretsk (Bashkiriya).

According to our information, Beloretsk, which barely manages to ensure the minimal amounts to keep the washer-producing shops at Magnitogorsk from shutting down, will not send this rod to the Ukrainian Druzhkovka Plant. The shops in Druzhkovka came to a standstill a long time ago.

[Zhuzhgin] Is it really so complicated to organize the output of the rod at the metallurgical combines in Dnepropetrovsk, Zaporozhye and Krivvy Rog?

[Kozubets] There is no doubt that it would be very simple for us to produce all metalware goods. A representative of the railroad took this question to the metallurgical plants of Krivvy Rog not long ago. They told him that it would be no problem for them to roll, let us say, about a dozen sheets. But no one wants to revive the technology for cutting it up into the little rods, even though they did it here 18 years ago.

Here one should say a few significant words to the Ukrzaliznytsya state administration in the republic's government, and this reasonable and simple task should be taken under the state's wing: "You may not feel like it, but after all, you must, there is no other way out."

This work must be stimulated properly with the aid of a tax benefit and other levers. It is clear to anyone, even if he is not an economist, that transporting semi-finished goods to the Ukraine from Bashkiriya is like going to Tula with your own samovar.

[Zhuzhgin] But you have to, nonetheless?

[Kozubets] For the time being, we have to. The other day I returned from Magnitogorsk: I went on a business trip for the double-coil washer. With great difficulty, not without ordering people about, bowing and scraping, and begging, I managed to conclude a contract to ship one carload. It contains enough for 30 kilometers—we need about six carloads a year.

[Zhuzhgin] The role of a "fixer" today is to fill in the gaps of the government. It is from here that we go to barter deals, which set everyone's teeth on edge. After all a great deal could be solved at the state level.

[Kozubets] As a rule, it is this way. Our suppliers are bringing forth demands to give them sugar, salted meat, pipes, cement—in a word, it is a question of what Ukraine formerly supplied in a centralized system. Just where can the railroad workers get these products?

[Zhuzhgin] It can be seen that the support of the Ministry of Railways is not enough for you now. But surely Ukrzaliznytsya hears your voice?

[Kozubets] It was still all right when the orders for supplies, which were only barely carried out, went the route of the former Ministry of Railways, but now—it is the Russian Ministry of Railways, since they are mainly related to materials which the republic does not have on its territory.

[Zhuzhgin] Is this inertia, or do the Russians have a certain interest?

[Kozubets] It seems to me that for the time being the support is suffering from inertia and can cease any day. This is very bad, because it is hard to solve our problems in Kiev. For example, I telephoned Vladimir Kapitonovich Andryushchenko (he is head of the State Administration for Supply Problems). I ask: why is there no help in providing this, that and the other thing... Nizhnyaya Salda, for example, always supplied the Dnepr Railroad with KB-65 track chairplates. Now they have made a condition—give us the necessary amount of Ukrainian metal.

Vladimir Kapitonovich answered that Prime Minister Vitold Pavlovich Fokin had issued an order prohibiting the shipping of metal outside the republic. We can do nothing. Where is the reciprocity?

[Zhuzhgin] Do the Russians always act in a partner-like fashion?

[Kozubets] Not always. For a long time the Novosibirsk workers shipped us R-65 switch assemblies. Recently these supplies ceased, since they tied these supplies in with a request for assistance in negotiating with the Zaporozhye plants to ship ferromanganese additives to Novosibirsk. Our management fulfilled the request, but the Siberians did not keep their word.

[Zhuzhgin] All of these economic upheavals upset our citizens and industrialists a bit. First one should feel safe, when stepping across the threshold of a passenger car, and second—there must be guarantees of the safeguarding of the freight transported, and this means, in many ways, the good condition of the rails. Can the road provide these guarantees?

[Kozubets] There is hope. The productive time for repair work is seven months. We have at our disposal a month's supply of materials. The work is to be further stepped up, and this can be compared with a struggle for survival. Our statesmen should realize that railroad transport remains the only reliable artery, and it must not be ruined.

POLITICAL AFFAIRS

Shakhray Constitution 'Borrows Heavily' From Official Document

924C1196A Moscow ROSSIYSKAYA GAZETA
in Russian 15 Apr 92 p 2

[Political analysis by Aleksey Alyushin, lead specialist on Russia's Constitutional Commission, and Ilya Shablinskiy, KONSTITUTIONNYI VESTNIK editor-in-chief, under the rubric: "The Sixth Congress: Opinions and Commentary. What Kind of Constitution Does Russia Need": "The 'O' Alternative: A Half-Baked Pancake"]

[Text] In their analysis of the alternative Constitution of the Russian Federation developed by Sergey Shakhray's group, Aleksey Alyushin, lead specialist for Russia's Constitutional Commission and Ilya Shablinskiy, editor-in-chief of KONSTITUTIONNYI VESTNIK, have found that it has borrowed a lot from a Constitutional Commission official document.

While the "Shakhray draft" was being prepared, there was a lot of talk, more and more, with a finger secretly pointing upwards. Therefore, it was natural that our curiosity was piqued when we finally obtained a draft. The issue of the newspaper FEDERATSIYA containing its text was generously distributed at the congress to anyone who wanted it.

It was written, according to the title page, by a group of eight people under the supervision of Sergey Shakhray, and was called, for some reason, the "'O' Version". As we pored over the text, we tried to find similarities between it and the official draft. Probably, each of us looks for his own preferences when he picks up the competition. And imagine our surprise when we began coming upon passages that reproduced the official document nearly word-for-word.

Enticed by the similarities we had found, we decided to, as they say, follow the trail, and mark with a yellow pen the places in the draft where our text was quoted verbatim. And we became dazzled by the yellow. When we looked at the numbers, we were simply stunned.

Of the 252 lines of the first section of the "'O' Version", 181 lines—or over 70 percent—were yellow. Of the 114 articles of the Shakhray draft, 78 percent called for some work with the yellow marker.

Let's take two versions of one article. The first is the official one, the second is the Shakhray. "Article 42. (1) Freedom of artistic and technical creation, scientific research and instruction, as well as intellectual property is protected by law. (2) Each person has the right to participation in cultural life and the use of cultural facilities."

"Article 21. (1) Freedom of artistic, scientific and technical creation, research and instruction, as well as intellectual property is protected by law. (2) Each person has the right to participation in cultural life and the use of cultural facilities."

As we see, there is a small difference. And that, in this situation, is due to our involuntary complicity. The fact is that the official draft of 18 March, which was presented to the Russian Supreme Soviet, had wording exactly like that which was used by the Shakhray group. However, in the draft that has already been presented to the Conference, it was changed slightly (which is evident from Article 42 cited above), but the Shakhrayites didn't manage to pick up the change. By this, we are able to determine not only that they borrowed, but also from exactly which version.

It is clear that there were no bad intentions here. If the boss gives the command: "The Constitution should be on my desk in a week!", you're pulled against your will towards what your colleagues have already been squeezing out and smoothing over for two years. Of course, prudently clothing the other's work in your dress. But when the clothes don't fit—the stitches break.

Essentially, we harbor no especial resentment towards our constitutionalist colleagues. In the end—imitation is the most sincere form of praise.

It can be stated firmly that several of the statutes in the Shakhray draft "On the System of State Government" definitely deserve serious attention during as the official text is being further refined.

But in civilized society, it is accepted that this sort of thing be done intelligently. Even if you are doing no more than devising amendments to articles or chapters, even fundamental ones, is it worth giving them in the form of an entire alternative draft? If you do an alternative draft based on an existing one, then it is proper at least to mention the source. Finally, if you take something from someone else, then at least take it without mistakes—grammatical or political.

We will cite only a few of the flaws of "Version 'O'" that occurred, obviously, due to hurried borrowing. Let's say that the "Shakhray" Article 11 guarantees each person "freedom of conscience, faith, religious and atheistic activity". Exactly the same kind of wording figured in the official draft, also, until the concept of "atheistic activity" was excluded under serious pressure from the Russian Supreme Soviet Committee on Freedom of Conscience. Aleksiy II, patriarch of Moscow and All Russia, had written to the chairman of the Constitutional Commission, Boris Yeltsin, concerning this matter, warning (it must be admitted, fairly) of the dangerous ambiguity of this term, that it could return us to the times of militant godlessness. And here we see this wording that is so hateful for believers again without a second's hesitation being reproduced by the Shakhrayites.

With the very same diligent clumsiness, Sergey Mikhailovich's wards copied another formula, clearly odious in its socialist ring, which was excluded only at a recent stage from the "transitional statutes" of the official draft: "A transition to the eventual realization of the right to free choice of place of residence" (which it suggested would be achieved within 10 years from the day the appropriate law came into force).

In the alternative draft, one discovers its authors' extremely original understanding of the nature of power, as well. Take the actual structure of the Constitution. There are three divisions, titled: "Citizen", "State", "Power". Such flip laconism, most likely, will give the impression of some kind of political monograph, in which one may sacrifice exactitude for the sake of glitter. But any jurist who is a lover of accuracy will be perplexed: can a state exist without power, or vice versa?

Or Article 41, Part 1, which bears the solemn heading: "The source of all power in the Russian Federation is the people". It would have been worth crossing out just the word "state"—that would have made it both short and alternative.

And the president is very unlucky in Article 77. Before, that is, in the official draft, the president, according to a formula that is used all over the world, "enjoyed the right of immunity". In the hands of the Shakhrayites, with their efforts towards taciturnity in everything in every way, it became thus: "The president is untouchable". What will it be like for, let's say—his grandchildren, no longer allowed to sit on their grandfather's lap! And for his subordinates to shake hands good morning with the president!—that would be a criminal offense.

A tale was told once at the USSR Academy of Sciences. Mark Borisovich Mitin, the famous philosopher and ideological warrior, who took pride in the fact that he felled Whites with a sabre in the civil war, was caught plagiarizing entire chapters of his latest monograph. It became necessary to call a scientific council to sort things out, which, however, was headed by Mitin, himself. The academician began thus: "We must all draw the most serious conclusions from this!" And he, incidentally, was correct, as he, personally, was not in any condition to examine those hundreds and hundreds of pages that his subordinates had copied for him from wherever they could.

We are not calling for any kind of serious organizational conclusions here, besides one—for further comradely work to bring all useful ideas together in conducting constitutional reform, in any form whatsoever that those ideas might take. We wonder if some cooperation between the Constitutional Commission Working Group with the Shakhray group might have been advantageous. Let us at least remember that sometimes the first pancake is not only lumpy, but half-baked, as well.

INSTEAD OF A COMMENTARY

[boxed material] What new things has the "Shakhray draft" brought to the constitutional process? Judging by everything, the main innovations of the "'O' Version" concern the correlation of parliamentary and presidential rights. They determine two main questions:

On the president's right to choose cabinet members

Official draft of the Constitutional Commission—The president appoints ministers with the approval of the Supreme Soviet.

S. Shakhray draft—The president appoints ministers with consideration of the Federation meeting's conclusion.

On the post "chairman of the Administration"

Official draft of the Constitutional Commission—Allows the existence of the post of chairman.

S. Shakhray draft—Makes no provision for this post. [end of box material]

Rutskoy Condemns 'Chauvinists,' Reiterates Support for Yeltsin

924C1142A Moscow PATRIOT in Russian No 12, Mar 92, pp 4-5

[Interview with Aleksandr Rutskoy, vice president of the Russian Federation, by Nikolay Gulbinskiy and Andrey Barkovskiy; place and date not given: "A Politician Must Be Honest"]

[Text] Aleksandr Rutskoy, vice president of the Russian Federation, answers questions by the weekly SYN OTECHESVA.

[SYN OTECHESVA] In running for the high post of vice president of the Russian Federation, you, of course, could not help but know that the performance of these duties does not promise an easy life. Nevertheless, Aleksandr Vladimirovich, does your impression of the position differ from what you have encountered in reality?

[Rutskoy] When I agreed to be a candidate together with Boris Nikolayevich, then, naturally, I supposed that in the event of election there would be a clearly defined range of duties. Everyone should have his work. I graduated from the Higher Military Aviation Engineering School, the Air Force Academy, and the General Staff Academy. That is, it probably would have been expedient to assign me to keep an eye on questions connected with the reduction in the armed forces, the withdrawal of forces, the social protection of servicemen, and conversion. I think I also could have handled such problems as the activity of the organs of state security and the economic protection of the interests of Russia. As a matter of fact, I was involved in some of these questions

in the first period of my tenure in the post of vice president. Now, I have been entrusted with agriculture.

Remember, when Boris Nikolayevich reported this, the whole Supreme Soviet laughed. A military pilot, a major general, and suddenly... Even all kinds of political speculations began to appear on this subject, and mention was even made of the fate of Nikonov and Ligachev.

However, when agriculture was entrusted to the aforementioned figures, they were not given any kind of specific authorities. And they, naturally, made a muddle of things. But this time, matters went well for me: Boris Nikolayevich, by means of Ukase No. 193 of 26 February 1992 defined a broad range of authorities according to the principle: on behalf of clearly set objectives, sensible actions are being taken. According to this ukase, I was instructed to develop and implement programs associated with the conversion of the military-industrial complex to the output of means of mechanization for agriculture, agricultural product processing complexes, programs on gasification and chemicalization of agriculture programs, assistance to entrepreneurship in the village, and many other things. In particular, work is envisioned for attracting foreign investments for the implementation of reforms in the agro-industrial complex. Already today, a number of foreign companies, in particular Japanese and Italian, have expressed a desire to cooperate with Russia in the area of agriculture. We hope to attract entrepreneurs from other countries as well. That is, a sensible and systematic approach to the conduct of agrarian reform is being outlined.

There is this basic principle in aviation: Think about it first, and then do it. Any other way is impossible—you will end up eating dirt. But, after all, it is precisely the same in civilian life. It is just that the consequences of the absence of a systems approach do not always show up that quickly. But, it does not matter, sooner or later they will appear. For what did I criticize the government? Precisely because of the lack of a clear, phased plan of reforms. The liberalization of prices—this is not quite reform. Fortunately, it seems, many are beginning to understand this. At the last meeting of the government, discussion proceeded in a constructive spirit. I hope that we will be able to arrange joint sensible work.

Well, of course, I did not expect an easy life in this post. What kind of easy life? My workday begins at 0900 and ends no earlier than 2300, and Saturdays are also workdays. But it is not that difficult to get used to. Something else is annoying—the applied efforts are still not giving the expected result. And this is explicable: There is a complete breakdown in the economy...

[SYN OTECHSTVA] Does the present government realize that it does not have solid support in society, especially in the Russian hinterland? That the vote of confidence in it is fading literally before the eyes?

[Rutskoy] It is difficult for me to speak on behalf of the government. After all, here is what happens: Boris Nikolayevich Yeltsin is the president, and he simultaneously

heads the government. It would seem, I, as vice president, should be his deputy in the government. But I also "have the right" to be present at meetings of the cabinet. At first, they even wanted to write in the ukase "with the right of an advisory voice."

What can be said about the present government? Young people came who, unquestionably, were well-trained in a scientific sense. Although not everything in their views is indisputable: I already had occasion to write about this. Unfortunately, any criticism directed at the government is interpreted by them in a tense and pained way. Some of the mass media persistently push the idea: If someone does not agree with one or another aspect of the activity of the present cabinet, then he is an "opponent of reform," "red-brown," etc.

Perhaps, we have had enough of hanging labels. Do we really want to unleash again a witch-hunt and return to the times of persecution for different thinking? We should not, for sure, switch so quickly to neobolshevism. This is hardly normal: It was not very long ago that the militia and OMON [Special Mission Militia Detachment] broke up democratic rallies, and, today, the very same people (the staff could not have been replaced 100 percent in a year!) are hitting the "red-browns" with rubber clubs, etc. But these are mainly pensioners, veterans, and participants in the war. What kind of "red-browns" are they? Yes, these people were brought up on Marxist-Leninist ideology. But are they to blame for this? Well, cannot they, like some teachers of scientific communism, turn 180 degrees and begin to profess frenzied anticommunism. What, do they get hit over the head for this now?

[SYN OTECHSTVA] The failure of the economic policy of the government will lead to discreditation of the very idea of a transition to a market economy. Do you not fear that, at the peak of popular dissatisfaction, political circles will come to power who will eliminate from public life not only communist opponents, but also former communists, at least those who sincerely tried to create a humane socialism, and to eliminate those negative aspects and processes that not long ago it was usual to call "deformations of socialism?"

[Rutskoy] In fact, I already answered this question in part. Some figures in the present administration have still not accomplished anything with respect to the concrete conduct of reforms; however, they were quite successful in all kinds of intrigues, and in the elimination of political opponents, both real and imaginary. I have always said that this will not lead to anything good.

When we were creating the democratic movement inside the former CPSU, it was usual to divide society into "communists" and "democrats," and today it is divided into democrats and "red-browns," there has been a change of labels and evaluation ratings, but our purely bolshevist intolerance remains as it was. A certain research center is engaged almost exclusively in a search for a "communist underground" in the new structures of

authority. They accuse, for example, Yu. Petrov, the leader of the president's administration, of having been a secretary of an obkom [oblast party committee]. But, in the final analysis, Boris Nikolayevich himself was a secretary of an obkom, a member of the Central Committee, and a Politburo candidate member. Is this really the issue? Should society today be divided according to this aspect?

As for the question concerning the failure of reform, I would not even want to think of such a possibility. Then, this really would be the end. The end of Russia as a great power, and, generally, as an independent state. We must not, while implementing reforms, prepare for their failure beforehand—I will retire, etc. With this attitude, there is no point in applying ourselves to the implementation of changes. Personally, I am hoping for the success of the reforms, and, no matter what happens, I will go with Boris Nikolayevich along the path of their implementation to the end. Without paying attention to all kinds of labels that people at times try to tag me with.

[SYN OTECHSTVA] In your opinion, what are the most important problems that now face the executive authority in Russia, and what do you see as the ways to resolve them?

[Rutskoy] I think that I have already answered this question in my writings. Therefore, I will dwell on them briefly. First of all, the problem of Russian statehood. By not determining decisively in what kind of a country we live (federation, confederation, a kind of free union), we will not be able to talk about the implementation of economic reforms. In this sense, the more frightening danger is that which I call the national careerism of some of our political figures.

Under no circumstance can we allow the downfall of Russia. I am confident that the people who populate it are objectively not interested in its downfall. The centrifugal tendencies are temporary phenomena. And here, in my opinion, we must in every way refrain from rash actions which could interfere with future unity. Force, the use of arms—all of this must absolutely be excluded. There are political means. Especially if we are talking about the aspiration to acquire the values of general human civilization.

The second question—the creation of a legislative base for the conduct of reforms, and in a broader sense, the guarantee of undeviating adherence to laws. This, perhaps, is one of the weakest spots today. The parliament “stamps” laws that are poorly worked out and that are not provided with a mechanism for their implementation. The executive authority publishes ukases and... after several days forgets about their existence. And, at the same time, everyone talks about democracy. For me, democracy is unthinkable without discipline and without firm compliance with the laws.

Further, specifically economic reforms. When Boris Nikolayevich spoke at the congress and set forth in a general plan the main directions of the proposed

reforms, I supported him fully. Just as did the People's Party of a Free Russia, of which I am chairman. But then the question arose on the liberalization of prices. I had the impression that to begin with the liberalization of prices, while not conducting financial reform, democratization, and privatization, meant to push 80 percent of the population right into poverty. Which, in fact, did happen. This impression was especially strengthened after a visit to a number of Siberian cities. I then spoke frankly and announced this. I was criticized a lot for this. Especially by the economist Otto Latsis, who at one time supported the idea of the movement Communists for Democracy, but who, for some reason, did not participate in its work. Later, after the putsch, he began to talk about the necessity of creating a democratically-left party on the wreckage of the CPSU. But, after all, we in fact were creating it, so, what precluded participation?

It is the same with regard to reforms. In almost every issue of IZVESTIYA, Otto Latsis supports them and gives advice on how to implement them further. But, after all, it is one thing to give advice, and it is quite another to have the actual responsibility. The people will not make demands of Otto Latsis, but they will of the president and the vice president, and of the government as well.

Therefore, I decided to express my doubts publicly. Incidentally, I do not by any means insist that I was right in everything. But it seems to me that my criticism led to the fact that many in the government began to ponder: Is this the direction we want in the plan for the practical implementation of reform?

Today, real interaction and business-like cooperation with the president and the government has been outlined. I think that this is the only way to work. It is necessary to talk of one's doubts openly. If you do not agree—speak out, write, and substantiate. But all kinds of intrigues, and actions through figureheads, etc., will not lead to anything good.

[SYN OTECHSTVA] How are your relations with B.N. Yeltsin shaping up? Does the vice president have the right to a point of view that is different from the point of view of the president?

[Rutskoy] I am convinced, he does. And it is not necessary to refer, as an example, to the United States: There is a stable political system there that has been worked out over decades. Incidentally, it also happens there that on some questions the position of the president and vice president do not coincide. Back in the period of the election campaign, I said that I did not intend to be a puppet in anyone's hands. I have no differences with the president on strategic orientations. But as for the tactics of reforms—differences can arise here. In comparison with Boris Nikolayevich, I am a tougher person, and I can make stricter demands on what has been assigned. Probably, my army past shows here.

Today, many efforts are being undertaken to "drive a wedge" between me and the president. I cannot understand: Whether this is being done deliberately, or simply by the love of cheap political sensations. There was such a case not long ago: A number of information agencies attributed words to me with respect to the president that I had never spoken. At first the ITN agency made comments that distorted the essence of my statements, and afterwards REUTERS reprinted them in a more acute form, and it further went to TASS, and from there, now in a clearly sensational version—on television.

And this kind of information is carried throughout the whole country. Why is this done? Cannot a television journalist call up my assistant or the press secretary and clarify what the facts really were? And so a nonexistent dispute is exaggerated. And, unquestionably, some kind of an after-taste is left, and, I think, with the president also, especially when all of this is "skillfully" presented to him.

[SYN OTECHSTVA] You are in the leadership of the People's Party of Free Russia. What in your opinion can fill the vacuum formed in the spiritual sphere after the failure of dogmatic Marxism as a state ideology?

[Rutskoy] I have always thought: A person should believe in something. In God, in good, in the human being. In fact, it is this belief that forms ideology.

What does it mean that ideology is disappearing? It cannot disappear. There was Marxism-Leninism, a kind of likeness to a "Soviet religion." Now, this ideology has collapsed. A vacuum was formed—and it is already being filled. First and foremost, by religion. I look at religion in a very positive way. Although, I was brought up in an atheistic spirit, and I do not formally belong to any church. As for the ideology of our party, then it can be summed up in two words. The individual, the person. This is our principal difference from "dogmatic Marxism," which tried to subordinate the interests of the real person to the impersonal theory of the "socialist choice and communist outlook." If I attempt to define the place of our party in the ideological spectrum, then we combine the ideals of social democracy and the humanistic movement. It is not accidental that today we are establishing close contacts with Humanistic Internationalism. Although I would not try to drive the party into a narrow ideological framework. We also support contacts with liberal and conservative parties, finding a lot that is interesting in them. The ideology of our party is still in the process of forming, and we are trying to be open to all ideological currents. Of course, with those that are oriented on the individual, his needs, interests, and wants. It goes without saying that we will have nothing to do with racists, chauvinists, and similar kinds of anti-humanistic movements.

[SYN OTECHSTVA] What is the membership of the NPSR [People's Party of Free Russia]? Are there servicemen among its members?

[Rutskoy] In the first stage of the creation of the democratic movement inside the former CPSU we had no less than three million persons who sympathized with us. But by far not all of them became members of the new party. Before we issue party cards and set up a record system, it would be irresponsible to give a precise figure. There are branches of our party in more than 60 cities of Russia. The general opinion is that it is the largest and most influential of the political parties. The number of servicemen in the party is about three-five percent of the total membership. One of these is Colonel Ipatov, who heads the Moscow organization of the party.

[SYN OTECHSTVA] Do you agree with the popular expression that politics is not made with clean hands?

[Rutskoy] In democratic countries, specific rules exist in the political game, and their violation does not go unnoticed. I have an affinity for the thought of the Russian philosopher Ivan Ilyin that political activity is first of all service. Service to the nation, to society, and to the people. We have many representatives of the new, democratic administration who, as previously, view authority as a kind of sinecure. From this come endless receptions, banquets, presentations, and trips abroad. I am not against this, but everything should have some kind of reasonable bounds.

Political activity can become pure only when there is a guarantee of effective control over the activity of executive authority. First and foremost, on the part of parliament and the independent press. A new "party" press in fact is now appearing in our country that sees its task not in an objective illumination of events, but to please the powers that be and to denigrate political opponents.

It seems to me that politics can and must be honest. I am a new person in politics, I was not a secretary of a rayon party committee, and I did not teach scientific communism. When we were creating the democratic movement inside the former CPSU, we dreamt about developing a new model of political activity, at whose basis were openness, collegiality, and free discussion. Unfortunately, I cannot say that we succeeded fully in this. But even today I am convinced: Dirty political games and other unworthy methods cannot lead to the great aim of establishing a democratic society.

[SYN OTECHSTVA] We wish you success, Aleksandr Vladimirovich, and thank you for the interview.

Factions Issue Statements on Eve of Congress

Economic Reform Concepts

924C1141A Moscow SOVETSKAYA ROSSIYA
in Russian 2 Apr 92 p 2

[First of three documents prepared for Congress of People's Deputies under the overall heading: "Common Position of the Deputy Factions Rossiya, Communists of Russia, Fatherland, and Agrarian Union": "Toward the Market, but by Another Route"]

[Text] Helping break through the information blockade in which the activity of opposition groups and factions of the Russian parliament find themselves, we publish today a number of documents and materials which they have prepared for the Congress of People's Deputies. The documents have been signed by the Rossiya, Communists of Russia, Fatherland, and Agrarian Union factions of deputies. The overall position on matters of principle does not exclude singularities of viewpoint on individual clauses of the program documents.

Concept of Economic Reform for Russia

Basic Principles of the Crisis in the Economy

The underlying cause of the failure of perestroika in the country, that is, the collapse of the USSR, the bloody interethnic conflicts, the destruction of the consumer market, the impoverishment of the majority of the population, and the steep decline in production is primarily the incompetence of the country's top leadership. As of 1985 a number of the most flagrant mistakes, which have brought our country to a catastrophic situation, have been made.

1) Mistakes were made in the restructuring of management throughout the 12th Five-Year Plan: the fruitless attempts to enhance product quality, the petty changes in management (the first and second forms of cost accounting and others), and the creation of cooperatives in a nonmarket environment brought about a wave of speculation and corruption, and the authorization for the transfer of noncash resources into ready money in a monopoly economy led to inflation and the disruption of management. These flagrant mistakes afforded market structures and the shadow economy operators an opportunity to buy up commodities at low prices and sell them at high (market) prices and as a result made the state bankrupt (a 300 billion ruble [R] budget deficit in 1991, a R1 trillion internal debt, and a R70 billion foreign debt), and, on the other hand, approximately the same amounts of empty money had built up among part of the populace, at enterprises, and in commercial banks. As a result, in order to pay wages the state was forced to resort to money issue (R28 billion in 1990 and R123 billion in 1991).

2) The political struggle between the democrats and party and state structures on the one hand destroyed the power of the CPSU and, on the other, paralyzed the economic reform, destroyed the USSR, and severed many economic ties. Ill-considered foreign policy decisions, disadvantageous to the USSR, such as the accelerated withdrawal of forces from other countries without the necessary preparation, are making the country's economic situation worse.

3) The Russian economic program (price liberalization and forced privatization and such) is based on the use of Western prescriptions devised for patients of market economies, and they are unsuitable for our nonmarket, monopoly economic system. Under the conditions of our structural monopolism (the entire economy created was

created as a single factory) supply and demand cannot be balanced with the aid of price liberalization without the strict limitation of personal income, but tens of millions of people would be condemned to ruin here.

In the month of January alone, according to official data, prices rose by a factor of 3.5 on average, but for many basic necessities (meat, bread, butter, cheese and such) they rose by a factor of 10-30 and went beyond the reach of a majority of the population. The health of people, children particularly, has been condemned to constant deterioration. Price liberalization has essentially robbed the populace, having devalued its monetary deposits (according to the valuations for basic necessities) more than 10-fold.

Mortality has of late come to prevail over the birthrate, and there has been a sharp deterioration in the diet of the majority of the population, which on account of the high prices cannot purchase for itself food, meat, and dairy products, fish and fruit particularly, which is essential to health. Medical personnel have calculated that if the trend which has emerged continues, the strength of the population will in 10 years' time have declined by 50-60 million.

In accordance with a demand of the International Monetary Fund the Government of Russia has set the impracticable task of balancing the budget, at a time when the ruble space outside of Russia is not controlled by this government, and the borders are transparent for any contraband.

Aside from price liberalization, a number of sectors of the economy are to undergo privatization in 1992.

The privatization (payable or free of charge) of large-scale and medium-sized enterprises will contribute to the breakdown of the economy inasmuch as it will only transfer the state structural monopoly to an even more rigid private or collective monopoly. Under current conditions, therefore, both price liberalization and the privatization of medium-sized and large-scale enterprises will bring the economy not to the market but to collapse, and the people, to starvation, illness, indigence, and genocide.

Basic Principles of Economic Policy

There are three practical paths of reform:

1) A Russian economic program based on "shock therapy." In countries with command-administrative management this version of reform has been implemented for more than two years in Poland, where supply and demand have been balanced thanks to a one-third decline in people's living standard, but where the main problem: an increase in production efficiency (production is declining, and unemployment and social tension are growing), has not been solved [sentence as published]. There is for Poland, as for us also, no light at the end of the tunnel.

2) A return to an administrative system, which for a majority of the populace is better than the "wild capitalism" being created per the Russian program, but this is in the long term a path of deadlock.

3) Evolutionary transition to the market regulated by the state. A two-sector economy and a combination of administrative and economic (market) methods of management are employed in this case. A modern example of such an approach is the economic system of China, in which a limited market was created and in which in the past 10 years national income has doubled and 1 billion people have been fed and clothed. According to the experience of a number of countries (China, Yugoslavia, Hungary), positive results occur within 10 years. This approach is the sole rational method of a solution to the crisis for our nonmarket country. It should be seen as an inevitable transitional stage toward a developed market corresponding to world standards.

Use is made in this transitional period of the following principles (based on the experience of Hungary and, particularly, China):

1) Large-scale and medium-sized enterprises and the land remain public property for the transitional period.

2) The enterprise work force becomes the owner of the goods and services which it generates for the market. That is, this sector is denationalized within three or four years, when the government order gradually diminishes and the market part of production increases. Accomplishing this process rapidly is impossible owing to the structural monopoly and unemployment.

3) The small-scale commodity sector is privatized (sold, leased, redeemed and such). The bulk of the stores in the cities are leased to the producers of the products (kolkhozes, sovkhoses, farmers, plants and such). This makes it possible to get rid of the state monopoly in trade.

4) For a transitional period (10 years) the land remains public property, but there is long-term leasing with transfer by inheritance. China's experience shows that such an approach makes it possible to solve the food problem rapidly.

The sale and purchase of orchard-truck garden and dacha plots is allowed. The taxes on this transaction are used only to improve the position of needy citizens (children, retirees, invalids).

5) The kolkhozes and sovkhoses are converted into commercial enterprises. Small-scale farmsteads can under our conditions perform only an auxiliary role. An indication of this is the experience of the United States, where the bulk of the commodity product is produced by large-scale farms with wage labor, and this type of farm is developing rapidly.

6) Three types of prices are introduced: free, limited, and fixed, with the use of the experience of a number of

countries (China, Hungary and others). As the market sector expands, the zone of free prices increases.

7) State managing authorities are formed for the structural reorganization of the economy, an expansion by a factor of 1.5 to two of the sector for the production of consumer goods in three or four years, and management of the production and social infrastructure (power engineering, communications, transport, public utilities, education, health care and so forth).

8) The principal obligation of the state is contributing to the smooth transition of enterprises to the market and a change in the structure of production, demonopolization, and the creation of the conditions for competition. For this use is made of the conversion of military production, the reprofiling of a number of enterprises, the breakup of production into smaller units, where possible, and the use of foreign competitors under the supervision of the state.

The state must create the conditions conducive to the development of national enterprise, production enterprise particularly, and protect them in the transitional period until they can stand on their own two feet.

It is necessary also to protect the country against uncontrollable influences both from overseas and from the sovereign republics, which is essential for the implementation of economic reform in Russia.

Halt to the Breakdown of the Economy

It is necessary at the present time to solve two problems:

1) To halt the breakdown of the economy and save the population from starvation, cold, and further impoverishment.

2) To implement economic reform for the purpose of an increase in the efficiency of production and an improvement in people's life.

With us the system of prices and other value indicators has never adequately reflected what has been produced in the material sphere. Price liberalization can change nothing in this respect insofar as our production is three-fourths monopolized, and considerable structural distortions have built up (only seven percent of capital works directly for the needs of the population, for example), large amounts of money have been amassed in certain sectors and relations with the former republics have not been adjusted. In this situation price liberalization has engendered a chaotic, monopoly system of prices which is of an irrational nature, is not connected with the labor efforts of the working people, and has cut the majority of the population off from many basic necessities. By virtue of the structural monopolization, this system of prices cannot be improved either in several months or in two years. To obtain an economically substantiated system of prices it is first necessary to reorganize the structure of production. This will take no

less than three or four years, and it cannot be accomplished by our speculative market, only the state is capable of this.

In this situation it is advisable to freeze prices and then increase wages in budget-supported organizations to the minimum subsistence level with regard for the actual possibilities of the economy. An adjustment of the entire system of value indicators (prices, taxes, tariffs and such) is required on the basis of calculations. A new system of cost relationships, which would serve as the point of departure for the further implementation of economic reform, will be created in combination with the clearing up of the finances of enterprises of all types and monetary reform. A similar change of cost relationships was effected in the FRG in 1948. All heads of government since 1985 (Ryzhkov, Pavlov, Yeltsin-Gaydar) have opposed monetary reform, although only thus could we have emerged from the crisis with minimum social losses. The best time for this has now been let slip, but its implementation is still advisable inasmuch as the unwarranted distribution of money in various sectors and also the concentration of large amounts of rubles beyond Russia's borders are taking place.

Limitations on the level of profitability will be imposed and the upper and lower levels of the citizens' remuneration will be established for the transitional period. Earnings may be increased thanks to a reduction in production costs and an expansion of the volume of production.

It is essential to conduct a stock-taking of material assets in the country for the purpose of their use for stabilization in the economy, harmonize state revenue and expenditure, tighten credit and financial policy and strengthen its "targeted" nature.

Creation of a Limited Market

It is expedient initially for the acceleration of such a market not to load up to one-third of production capacity with state orders. This will permit the creation of a market of various commodities (gasoline, timber, machine tools, meat and so forth). The monopoly producers should be controlled by the state. Free prices will be introduced for the market part of production if there is the requisite competition. Unless unemployment and inflation go beyond the permissible framework, the market part of production will expand. The biggest successes, from the experience of a number of countries, under the conditions of a limited market are scored in agriculture in two or three years (China, Hungary).

The creation of science and production firms incorporating research institutes, design bureaus, and plants, as is the case in developed countries, is an urgent problem. Without this the research institutes and design bureaus, as commodity producers, cannot exist independently. As a result scientific-technological potential in the country will be destroyed.

It is essential for the preservation of the production of intricate equipment (aircraft, refrigerators, machine tools and so forth) to form interrepublic firms, incorporating all enterprises creating this equipment and located on the territory of the USSR. It is expedient also to create a common infrastructure for different republics (transport, communications, power systems and so forth).

The effective control by the state of foreign currency and foreign trade, a fight against corruption and speculation in the transitional period, and the restoration and expansion of the arms market are essential, and the income here should be used for the conversion of military production. It is essential to restore trade with the East European countries on a mutually profitable basis.

The introduction of a ration-card system with fixed prices and also indexation of the wages of the employees of budget-financed organizations and personal savings are required for the protection of children, retirees, invalids and others.

A mechanism of the developed market corresponding to world standards will be created and the stock of medium-sized and large-scale enterprises with regard for the interests of the work force issued, agricultural land within the framework of this sector bought and sold, a stock market formed, the ruble made convertible, and so forth in the course of the creation of a limited market. This will provide for a transfer of capital, labor, and commodities between sectors with regard for the efficiency of their use.

Political Support for Economic Reform

The history of radical economic reforms in the 20th century (the NEP, the FRG and Japan after the war, Taiwan, South Korea, Chile, and others) indicates that firm authority and special emergency laws are necessary for their implementation. It is perfectly obvious that the present leadership of Russia represents no such authority nor can it—it has compromised itself by lawlessness, corruption, and a violation of the political and economic commitments it has assumed. The situation is complicated by the absence of an authoritative national leader capable of serving as the unifying principle and motor of creative reforms.

The sole possible solution under these conditions is the creation of a collective leader, a highly professional and competent government of national trust based on a bloc of political forces supporting creative reforms.

Political and national reconciliation is an essential condition of the salvation of the country and the people. It is essential to put off until better times the acrimonious disputes about who is "more to blame," to draw a line beneath the responsibility of both the communists and the democrats, and afford an opportunity for the interaction of all constructive forces. In order for this to

become a reality it is essential to renounce the suppression of dissidence, restore pluralism (on television first and foremost), and rescind anticonstitutional prohibitions.

It is no less important to agree on a moratorium on all actions exacerbating relations between republics, including the partitioning of the Army, a revision of borders, and the rupture of economic relations. The Local Self-Government Act should be restored in full, and where required by the local soviets, elections of the heads of local administration and the heads of kray and oblast administrations conducted. Effective, capable authorities locally are the basis of the stability of all state administration.

It is time to understand that under the present conditions the alternative to reconciliation and concord is rebellion, havoc, chaos, and blood. Politicians who do not understand these harsh realities will have to go, and it is the people's right to seek their departure.

Russia's Defense Doctrine

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[Second of three documents prepared for Congress of People's Deputies under the overall heading: "Common Position of the Deputy Factions Rossiya, Communists of Russia, Fatherland, and Agrarian Union": "Confidence of the Strong"]

[Text]

Propositions for Russia's Defense Doctrine

The highest purpose of Russia's policy is the assurance of propitious peaceful conditions for socioeconomic and cultural development and the creation of fitting living conditions for all peoples of the Russian Federation.

Potential Enemy

The immediate threat of world nuclear war and conventional wars has diminished considerably at the present time. At the same time economic, territorial, national, and other contradictions which could lead to armed conflicts persist in the world. The aims of a war unleashed against Russia could consist of wresting away from it some of its territory or constraining it to meet the demands of an economic, political, or other nature.

Proceeding from a multifaceted threat assessment, the main potential adversary remains the United States. The reason for this is not the fundamental differences of the economic systems (these differences are gradually being leveled) but the aspiration of the United States to secure for itself unimpeded access to most important world resources, those on the territory of the former USSR included. Under the conditions of the rapid depletion of world raw material sources the policy of the United States is assuming an increasingly egotistic nature. With Russia's move onto the world market an increasingly

important role will be performed by the United States' endeavor to influence the structure of Russian exports for the purpose of a reduction in them of industrial products, including weapons. The loss by the USSR and Russia of the role of superpower has led (and will subsequently lead to an even greater extent) to a sharp disruption of world stability, an increase in imperial tendencies in the United States, and Russia's dependence on domestic policy processes in the United States.

The friendly assurances and gestures of the leaders of the United States and other Western countries should not influence an objective appraisal of the unfolding situation. The said focus of the policy of the United States and other NATO countries is fully borne out by a recently published Pentagon document on planning directives in the defense sphere for the period 1994 through 1999.

As the CIS continues to weaken, the territorial claims of such countries as Turkey, Iran, Afghanistan, China, and Japan will intensify. Local aggression on the part of former allies (Romania, Poland) and also present members of the CIS (Moldova, Ukraine, the Baltic states) cannot be ruled out.

Means of Safeguarding National Security

Considering that a military conflict under current conditions could have catastrophic consequences not only for the countries involved but also for life on earth itself, the main purpose of policy in the security sphere is the preventing of war. It is essential for this to strive for a winding down of the arms race, a halt to nuclear testing, the complete destruction of chemical weapons, and a ban on the creation of other types of weapons of mass destruction. It is necessary to continue efforts for the stage-by-stage reduction by all states of their armed forces to a level which is the minimum necessary for defense and to contribute to mutual openness and the implementation of confidence-building measures and the transformation of military-political alliances into structures of collective and international security.

But political-diplomatic efforts and other peaceful means do not always guarantee the prevention of war. It has to be acknowledged that the existence of nuclear weapons and the possibility of inevitable retribution which they secure remain a practicable means of preventing a nuclear attack. The "balance of terror," despite all its inhumanity, led to a fundamental change in the planetary consciousness and the formulation of balanced and restrained standards of relations between the great powers and has ultimately ensured a 45-year period of peace. For this reason nuclear disarmament should be conducted cautiously, given careful observance of parity and without rash and unjustified concessions on our part.

For the next 10-15 years the main type of conflicts will evidently be low-intensity local wars encompassing particular geographical areas on the periphery of Russia and its allies. For this reason the main forces of the army

(excluding strategic) should be trained for just such wars. The criterion of its combat readiness is the capacity for eliminating local conflicts in a short space of time. The prolongation of a conflict for a time span longer than 30-40 days should be regarded as a defeat. The experience of Afghanistan showed that the army is not prepared for this kind of war.

Participation in Defensive Alliances

The evolved structure of the Armed Forces of the former USSR within the framework of the single defense space of the states of the Commonwealth and the preservation among them of close economic, political, and cultural relations predetermine the need for the creation of a system of collective defense of the Commonwealth. The defense of Russia, as, equally, of the other states of the Commonwealth, may be secured with the greatest efficiency by joint armed forces, given their centralized operational command. Unfortunately, the proposals, supported by Russia, concerning the creation of joint armed forces within the framework of the Commonwealth are not as yet meeting with complete understanding. The timeframe for the solution of all questions pertaining to the armed forces is being dragged out impermissibly, and uncertainty as to their status persists. The formation of national armies is proceeding in the absence of mutual arrangements, by way of unilateral actions and without regard for the collective interests of the members of the CIS.

In the event of a military conflict arising between states of the Commonwealth, Russia should, without taking the part of either party to the conflict, facilitate the termination of military operations and a settlement of the conflict by political and diplomatic means. A special contingent of interstate forces of the CIS subordinate to the Council of Heads of State of the Commonwealth should be created for the disengagement of the warring parties and observance of the truce conditions.

Structure of the Armed Forces

Under the conditions of a lessening of the threat of war the accomplishment of the reduced volume of defense assignments may be secured by armed forces with a manning level in the 1-1.5 million men range and budget appropriations at the level of five to six percent of the gross national product. The reorganization of the armed forces and defense industry will take no less than three years here.

The basis of the military organizational development of the general forces should be the mobile defense concept geared to the concentration of efforts where a threat arises. It is expedient to have as part of the general forces numerically small permanently ready transferable armies (forces) capable of accomplishing limited assignments as quickly as possible.

For the transitional period it is contemplated to preserve, in the main, the evolved system of the draft and manning and military service and the training of regular

personnel, common legal principles of the activity of the armed forces, and social safeguards for servicemen. Provision should be made here for the gradual transition to a contract system and the use of alternative service.

The structure and subordination of the interior forces, the national guard, the border forces, and civil defense of Russia require separate examination. Unification of the air force and national air defense in a single service of the armed forces is a natural and long-overdue measure.

Logistical Support

The conflicts which have occurred since World War II (Korea, Vietnam, Middle East, Iran-Iraq, Afghanistan) have shown that such classical types of arms as artillery, including multiple-tube rocket launchers, and bomber aviation fitted with conventional aerial bombs are ineffective when tackling modern combat assignments, considering the dynamic space and time nature of operations and the increased level of protection of the troops. It is well known, for example, that in the course of the Vietnam War the U.S. Air Force dropped a tonnage of aerial bombs 2.5 times greater than the quantity employed in the course of World War II. But this did not exert any pronounced influence on the course of the campaign, which ended in the United States' military defeat.

Priority in the equipping of the army and naval forces should be given precision weapons and means of protection against them. The reorientation of the army and industry toward precision weapons will make it possible to accomplish several tasks:

- to considerably reduce the army manning level while preserving and even increasing its firepower;

- to increase the mobility of the armed forces and the level of their professionalism;

- to improve the servicemen's social living conditions;

- to impart to possible military operations a more civilized nature thanks to the selective impacting of military targets and a reduction in losses among the civilian population;

- to move away from the cost-no-object approach in military matters and have done, finally, with the tradition of tackling military assignments with large masses of troops with a low level of provision with equipment.

Conversion and Social Protection of Servicemen

The Government of Russia should as quickly as possible devise an interlinked program of military organizational development and the conversion of military production. It is essential to channel the bulk of the capital investments allocated the armed forces into the construction of accommodations. Centers for the retraining of officers discharged in the course of the reform should in 1992 be created with the resources of a number of higher educational institutions and military schools and academies.

It is necessary to provide for the gradual transfer to the needs of the national economy of a particular portion of the testing, industrial, and military-science facilities available to the armed forces and also for the expansion of production-commercial structures.

Defense industry should be reduced mainly by way of a reforming of the system of orders and weapons procurement in accordance with the new assignments in the defense sphere, without detriment to the qualitative development of the arms.

The efficient use of a system of credit (foreign currency included) and tax privileges for the reorientation of defense works toward the manufacture of high-grade commodities for the national economy is essential. Firms oriented toward the development of science-intensive works and movement onto the world market should be created on the basis of sectoral institutes and enterprises of defense industry.

The reorganization of the armed forces and defense industry will create conditions conducive to the army's gradual transition to a professional footing and its provision with the most modern arms.

Union Federation Prospects

924C1141C Moscow SOVETSKAYA ROSSIYA
in Russian 2 Apr 92 p 2

[Last of three documents prepared for Congress of People's Deputies under the overall heading: "Common Position of the Deputy Factions Rossiya, Communists of Russia, Fatherland, and Agrarian Union": "Toward a New Union"]

[Text]

Prospects of the Reconstitution of a Union Federation

Contrary to the people's wishes expressed at the all-Union referendum of 17 March 1991, the unified Union state was, in violation of the Union Constitution, declared nonexistent. With its disintegration the process of the demolition of interrepublic economic ties intensified sharply and enterprise stoppages and closures began. Whole sectors of industry and agriculture found themselves in a catastrophic state. The economy has shown once again that it lives and develops according to its own laws, regardless of politicians' wishes and ambitions.

The first steps of the "Commonwealth of Independent States" (CIS)—an artificial, amorphous formation in no way corresponding to the economic, scientific, military, and cultural integration of the country which actually exists—have shown the utter groundlessness of this substitution. Without having resolved a single one of the former problems, it has added to them mutual property, currency-financial, and territorial claims and led to an exacerbation of interethnic conflicts. A great power, without which not a single major international question was decided, is before our eyes becoming a throng of "appanage principalities" struggling to survive, selling

their natural resources for a pittance and prepared to trade away their national dignity

The republics' attempts to find a way out of the crisis "individually" confirm as convincingly as could be that under the conditions of centrifugal trends the reform program is doomed to fail. Only the reconstitution of a single federal state formation will make it possible to revitalize the moribund economy, remove the problem of borders—a constant factor of interethnic conflicts—and protect the rights of the individual, regardless of his nationality and place of residence. And ultimately restore political stability and civic harmony in each republic.

The reconstitution of the USSR would by no means be contrary to the principle of the sovereignty of the republics. It has to be seen that it is now, under the pressure of economic disorders and political instability, that a real loss of sovereignty is occurring and that the republics are being deprived for a long time, if not forever, of the possibility of pursuing an independent domestic and foreign policy and have been forced to sacrifice fundamental national interests. The proclamation of sovereignty does not and cannot stand in the way of a free choice in favor of a unified federal state.

The reconstitution of the USSR is seen as an economic, political, sociocultural, and constitutional-legal process incorporating the following basic components:

1. Recognition as null and void from the moment of their adoption and as having no legal force the decisions on the termination of the USSR. Only its entire population or an assembly of authorized representatives—the Congress of People's Deputies of the USSR—are competent to decide the fate of the USSR, as a state formation
2. Reconstitution of the coordinating bodies of the USSR, primarily the Interrepublic Economic Committee.
3. Recognition as operative, with the necessary adjustments, of the uniform legal system of the USSR.
4. Continuation of the legal personality of the USSR in international relations and recognition of the continuance of its membership of international organizations.
5. Resumption at the level of authorized delegations of the republics of the negotiations on a new Union Treaty and imminent revisions to the USSR Constitution

Prior to the restoration of the constitutional authorities of the USSR and the resumption of their activity, the republics would adopt the necessary measures to preserve the single economic and currency-financial space of the country and also the single information and cultural space and refrain from unilateral actions on questions affecting the interests of other republics.

Political Stance of 'Russian Liberation Movement' Party Outlined

924C1170E Moscow NEZAVISIMAYA GAZETA
in Russian 3 Apr 92 p 2

[Article by Anna Ostapchuk: "The Russian Liberation Movement Proclaims Its 'Russian Faith'—First Temple Was Men's Club"]

[Text] Yes, there is such a party: The Russian Liberation Movement (RLM) belongs in the category of ideological minorities. Each party of this kind finds it necessary to have a certain distinct clan vital, so that it does not get lost in the shuffle. For the RLM a distinctive feature is a map of the former Soviet Union, delineating an unshaded area that stretches from the Baltic as far as the Sea of Okhotsk. This area is marked "Republics of the Rus." Konstantin Kondratyev, who is chairman of the RLM's organizing committee, offers this interpretation of it. "These expanses," he says "are denationalized right now. As shown, however, they do not infringe upon the interests of any autonomous state. Moreover, the whole of this is Russian territory of homogeneous habitation."

The RLM was founded in St. Petersburg, initially as a men's club. Moreover, it claims a certain esoteric, primeval aura of significance because of its so-called "Russian faith" or "authenticity."

"Russians for Russia—Russia for Russians!" "All that is Russian is good—All that is not can be tolerated—If it does not interfere!" Such slogans, intoned like magic incantations, along with the use of colloquialisms for common words like meeting (*skhod* for *miting*) or today (*dnes* for *sevodnya*) are the first things to catch the attention when becoming acquainted with the nationalist cult of the RLM.

With its isolationist credo, however, the RLM does not fall within the purview of patriotism. Not only does it have no allies in this part of the political spectrum; it actually writes off "Russian pseudo-patriotic imperialism" as well as the "phony, degenerate democrats" and "sharp operators on the make" alike as enemies of the people as well as of themselves.

During the recent holidays, the RLM held its second assembly (*sobor*) in Saint Petersburg at which some 50 delegates founded the "Party of the Russian State" as the political-action nucleus of the RLM. In addition, they approved their charter and other documents required for purposes of registration. In terms of specific political acts, the RLM is not particularly innovative. First of all, it intends to demand that the review of the Constitution be postponed because the proposed draft as submitted to the Congress of People's Deputies "ignores the fact that the Russian people even exist." The assembly on this occasion approved an appeal to the Russian people's deputies, and it decided to convene again on Saturday [4 Apr] in St. Petersburg's Palace Square. Scheduled to be held on 8-9 May is an old-fashioned Land Assembly

[*zemskiy sobor*], drawing deputies from throughout the highly celebrated "Russian territories of homogeneous habitation."

Russia To Set Up Unit To Coordinate CIS Intelligence Activities

924C1169A Moscow NEZAVISIMAYA GAZETA
in Russian 27 Mar 92 p 2

[Andrey Poleshchuk report: "Russia's Foreign Intelligence Has No Enemy No. 1 Today: but Any State Could Be Such at Any Moment"]

[Text] At a briefing for journalists conducted on 25 March in the Russian Federation Foreign Ministry Press Center Tatyana Samolis, press spokesman for the leader of Russia's Foreign Intelligence Service, announced that an agreement on the principles of cooperation of the intelligence services of the security authorities of the members of the CIS would, in all probability, be signed in Alma-Ata in April. A new subdivision dealing with the coordination of the activity of the intelligence services of Commonwealth countries is already operating in the structure of Russia's foreign intelligence. Tatyana Samolis announced also that there is now in Russia's parliament a special commission for monitoring the activity of Russian intelligence.

The journalists were introduced to Major General (retired) Boris Salomatin, former KGB agent in the United States and Italy, who, leaving active professional work, shuns contact with the press. Boris Salomatin expressed dissatisfaction that correspondents frequently misinterpret what he says about his work. He cited as an example an interview with the Italian journal PAN-ORAMA.

"The journal presented as a sensation words I had allegedly said to the effect that three or four of our agents work in Italy. In actual fact, no one would ever give you the precise number of our agents in this country or the other. I meant that if the station does not have a minimum of three or four valuable sources of information, it may be closed down as not wanted. I was not a parasite in Italy...." Boris Salomatin emphasized.

"Effrontery on an international scale," was what the former Soviet agent recently called a statement by James Fox, chief of the FBI's New York Branch, who in an interview with the newspaper NOVOYE RUSSKOYE SLOVO had demanded that within a matter of several months all intelligence officers of the CIS voluntarily leave the territory of the United States. Otherwise he threatened to deport them.

"The lion is not dead but severely indisposed," Boris Salomatin put it figuratively, referring to the collapsed USSR. "And the reynards of this Fox type are attempting to yank his tail, counting on impunity. I think that our response should be appropriate."

Major General Salomatov commented sarcastically on the openness with which the new leadership of the Russian intelligence service is speaking today about its shortcomings. He is angered particularly by the new trend discerned in the approach to the most painful problem of the national intelligence service—the treason of its officers.

"Gordiyevskiy, Yuzhin, Kuzichkin, and so forth—these brethren are today the focus of attention of the press. Prisoners of conscience, ideological fighters.... In fact, these people decided to pick a trough where the soup is thicker," Boris Salomatov maintains.

Meanwhile Tatyana Samolis declared that, in her opinion, execution, as the supreme punishment for treason and espionage, should not henceforward be applied in respect of intelligence officers who for this reason or the other make contact with overseas special services (unless it is a question of their direct complicity in a person's assassination). In the past five or six years more than 10 officers of foreign intelligence have been executed under Article 64, clause "a" of the RSFSR Criminal Code (betrayal of the motherland).

Yevgeniy Primakov's press spokesman emphasized that Russia's Foreign Intelligence Service had no main enemy today. But one could emerge at any moment.

ECONOMIC & SOCIAL AFFAIRS

Nechayev: Congress Outcome 'Moral Victory'

924409824 Moscow TRUD in Russian 17 Apr 92
pp 1-2

[Interview with A. Nechayev, minister of economy of Russia, by TRUD political observer V. Golovachev; place and date not given: "A. Nechayev: The Government Will Not Be 'Provisional!'"]

[Text] At the height of the dramatic events which occurred at the Congress of People's Deputies, when First Vice Prime Minister Ye. Gaydar announced the resignation of the government en masse, we met with Minister of Economy A. Nechayev at his usual work time—around midnight. The 39-year-old minister was, as always, composed, confident, and responsive to a joke, but his face betrayed a chronic lack of sleep and overwork.

[Golovachev] Are you gradually switching to Stalinist nighttime working hours?

[Nechayev] Stalin liked nighttime vigils, as is known, but, then, he would sleep in the morning. Our working day, on the other hand, starts at 0900. I realize that working until 0100 or 0200 is abnormal. But we are in a special, most difficult period currently—the start of economic reforms. The flywheel has to be set in motion, and this requires immense effort. Incidentally, only leaders—some of my deputies—are in this building this late; the ministry staff went home long since.

[Golovachev] The government's statement on its resignation did not seem all that comprehensible to many people after an agreement with parliament seemingly had been reached on matters of principle, on certain adjustments to be made to the reform policy included. For all that, what were the main motives when the members of the government made the decision to resign?

[Nechayev] It was primarily a question of the general mood of the congress. If we set aside the general words about support for the reform policy and disarticulate what is most important, it is clear that the congress was in a mood to wind down the reforms which are being implemented. Essentially, the entire activity of the government was deemed unsatisfactory—tax policy, credit policy, financial policy, social policy.... Many of the speeches at the congress were demagogic, frequently proceeding from an unconcealed twisting of the figures.

But let us return to the reasons which prompted us to decide to resign.

Since the government's activity is deemed unsatisfactory, such a government should not continue. This is the first thing.

Second, the members of parliament and the Supreme Soviet Presidium are constantly attempting to interfere in the current, day-to-day work of the government. They are demanding, for example, that this person be granted a subsidy, another, tax privileges, yet another, foreign currency, and so forth. We have thus far been able to resist such pressure, when the proposals have been unwarranted. But were the government to be made wholly subordinate to parliament (and this is, essentially, what is being sought), avoiding incompetent interference would be impossible.

In principle the government should in a normally operating market economy be under the control of parliament. But now, in a special and most complex period, when we have only just embarked on market transformations and when opposition to the reforms is great, the government should have the necessary powers to implement the adopted policy. We could, however, have proved to be a three-month "provisional government," as it were. What would the possibilities and authority of such a government in the country and the world be?

And, third, many of the specific points of the resolution of the Sixth Congress of People's Deputies were entirely unacceptable. Were, say, as proposed, spending on the financing of the agro-industrial complex to be raised to 15 percent of national income, an additional 500 billion rubles [R], approximately, would be required. The implementation of these and other proposals contained in the resolution would have increased budget expenditure by more than R1 trillion. Realization of the proposals would have led to a catastrophic fall in the living standard, starvation, social upheavals, and chaos. We said bluntly in this connection in our statement: "All the sacrifices, which have been borne by the citizens of

Russia in the past three months with such courage and patience, would be in vain."

[Golovachev] Some political pundits believe that the government demarche was, although aimed against parliament, to some extent also latent disagreement, as it were, with certain points of the compromise position of President B. Yeltsin, who had spoken at the congress. How did the president learn of your decision made on Saturday, 11 April?

[Nechayev] Following the Saturday evening session, at which we had comprehensively discussed the situation, Ye. Gaydar called Boris Nikolayevich and told him of our decision. I would like to mention that there are in the government adult, responsible people and that we have a right to our own position.

[Golovachev] Did the president not try to talk you out of such a drastic step?

[Nechayev] No.

[Golovachev] Was Secretary of State G. Burbulis present at the government meeting?

[Nechayev] No, he was not.

[Golovachev] People are voicing the opinion that the decision to resign was largely part of a political game and that the government did not seriously believe that it would resign.

[Nechayev] When we told the president on the first occasion, at the start of the congress, that we were prepared to resign unless the congress supported the policy of economic reforms, elements of political maneuvers also were present here to some extent, possibly. But when, on Monday, Gaydar read out the text of the statement to journalists, this was very serious. There could have been no question even of any political game here.

[Golovachev] Your attitude toward the declaration adopted by the congress? It does not, after all, reverse the former resolution of the congress, with which you disagree.

[Nechayev] It does not reverse it but it shifts the emphases appreciably. The declaration speaks of the stage-by-stage fulfillment of the congressional resolution in accordance with actual unfolding conditions. This is no longer diktat and not an ultimatum to the government. On the whole, the declaration proclaims unconditional support for the policy of reforms being pursued by the government, and this is very important. Were this not the case, our decision to resign would have been irreversible. I believe that this is the congress finale—this is a big moral victory for the government.

[Golovachev] President B. Yeltsin has said that he intends to appoint one further vice prime minister, who

would deal in earnest with production. What would be your attitude toward the candidacy of, for example, Shumeyko?

[Nechayev] Appointing vice prime ministers is the president's business. If, however, you are asking my personal opinion of Shumeyko as a possible candidate for vice prime minister, I would consider him a worthy candidate.

[Golovachev] The government statement says that there have been difficulties and mistakes on the path of the reforms. Which mistakes specifically can you name?

[Nechayev] This is no secret. Such reforms in our country are a new thing, it is impossible to think of everything. A big mistake was made, for example, in respect to exports. I am talking about the tariffs on export products. The point being that it is very difficult for an enterprise to make these payments immediately. It is first necessary to sell the products overseas, then to obtain the hard currency, and only then is there money to pay the export tariff. That is, a certain amount of time is needed. But the bank did not have sufficient credit resources. And exports declined sharply.

The corresponding adjustments are now being made, and export payments have been deferred. And exports have been going very well. In March their volume amounted to more than \$5 billion. This was more than at the end of last year. And the exports include, what is more, not only our traditional raw material resources but also mechanical engineering products.

One further miscalculation was enterprise nonpayments. The extent of the nonpayments is now in excess of R800 billion. We have been studying how to "loosen" this bottleneck in earnest. But it should have been tackled sooner, when the sum of nonpayments was far less.

Another acute problem is the shortage of ready cash. Two months ago even the government raised with the Central Bank the question of the need for the issue of large-denomination notes worth R5,000 and also bills of exchange for payments between enterprises of R50,000. But our proposals were not supported at that time. Now the decision has finally been adopted, but time has been lost. The new notes will not appear before August, and the cash situation will be under some strain.

As far as credit and tax policy is concerned, there has, possibly, been excessive severity here, and we are now making certain adjustments.

[Golovachev] Why, for all that, has so abnormal an enterprise nonpayment situation arisen? Almost all plants and construction projects—both good and bad—are "on file," that is, in debt. The Balashikha Plant, say, owes R60 million, but it also is owed R120 million—is it to blame?

[Nechayev] The whole point is that many enterprises were not prepared for the switch to market conditions.

As a rule, the manufacturers would establish an inordinately high price. It not only incorporated very high profitability but also overstated future costs under the influence of inflation expectations. It was argued approximately thus: Might the price of oil rise? It might. Consequently, we will build into the price of our product a sixfold "reserve," let us assume. And, in addition, the subcontractors could increase the price of components. Let us take this into account also. And such multiple "reserves" were included in the price very often. And it transpired that the consumer could not purchase the superexpensive products.

What would a normal enterprise under market conditions have done? Clearly, it would have lowered the price immediately. But our enterprises are holding fast—not a step back. All marched in lock step to the government, demanding: Give us credit. But were we to give such to all indiscriminately, we would, hence, be agreeing, as it were, and legalizing the exorbitant prices. And then destructive hyperinflation would be assured.

In addition, it is well known that approximately one-third of the noncash money is being converted into cash. As a result there would be a new cash crisis—wages, grants, pensions which are being credited, but which are not being paid.

We have a plant director who came to see me recently to ask for credit. And all his plant yards are crammed with finished products. I told him: "Lower the price and sell them, you would still make a profit or, at least, get back some of your money and could put it to work again." He was reluctant.... The enterprises are being stubborn, and the avalanche of nonpayments has begun to grow.

The majority of enterprises here does not aspire to take if only some action to overcome the financial difficulties, to sell excess materials, say. A sizable amount of "non-disposables" has built up at the warehouses at this time. But stocks are not being put on sale, people are waiting for something or other. Or another fact: There are in enterprise accounts \$2.2 billion, but no one is selling them either.

We are now beginning to closely investigate each large-scale plant and many medium-sized ones. Those which really need assistance with credit, we will help. But this will be very purposive assistance. Such as is rendered by overseas banks, for instance—on the strength of actual programs, with specific conditions.

Up to R200 billion is being made available for credit as a whole—R50 billion for industry, R70 billion for investments, R70 billion for agriculture (from April through October) and so forth. So there is no reason to dramatize the situation here.

[Golovachev] The most acute problem is the landslide decline in production. One minister allows for the possibility of a 50-percent decline even. For the economy this could be a catastrophe.

[Nechayev] Everyone is talking about the landslide slump in production. But this is as yet more a myth and the artificial inflaming of passions. There is no landslide. I will quote statistical data (Goskomstat [State Committee for Statistics] is subordinate to parliament, incidentally, not the government). Every 10 days statistics monitor 36 most important product types. Thus, compared with last December the manufacture of products in January declined in 20 items, and in February, compared with that same December, in only 12 items. Progress? There are fluctuations in daily production as a whole, but by no means catastrophic. This applies to rolled metal products, chemical fertilizers, cloth.

[Golovachev] But there are official figures: In January the decline in industrial production constituted 15 percent, in February, 12.2 percent.

[Nechayev] Yes, and this was primarily at the expense of the defense product. So I see no reason for panic. Additional measures aimed at stimulating an expansion of production and a revitalization of the economy are now being devised (with the use of tax levers included).

[Golovachev] Everyone is worried about the forthcoming freeing of the price of energy.

[Nechayev] Understanding the consumers' concern, we decided not to switch to free prices all at once. In addition, we are even thinking about terminating the sale at free prices of the authorized product (40 percent) of the fuel and power sectors also. An upper limit for oil, say, of R1,700 per tonne (excluding value-added tax) will be established. Up to this "plank" the product will be liable to the customary tax. And a "draconian" tax should, perhaps, be established for a further increase in prices in the fuel sectors. If you wish to raise prices, go ahead, but pay the treasury immense amounts of money. This would be unprofitable to the enterprises. So this problem also is not, as we can see, all that insoluble.

[Golovachev] And the final question. When, in your opinion, will we have passed the low point of the recession?

[Nechayev] At the end of summer or in the fall, I believe. And this should be followed by a process of stabilization of the economy.

Nechayev on Financial Situation, Investment Incentives

92440960B Moscow NEZAVISIMAYA GAZETA
in Russian 9 Apr 92 p 4

[Interview with A. Nechayev, minister of economy of Russia, by Rustam Narzikulov of BIZNES MN specially for NEZAVISIMAYA GAZETA; place and date not given: "You Can Change the Government, but You Cannot Change the Problems: Andrey Nechayev, Minister of Economy of Russia, Is Full of Optimism"]

[Text]

[Narzikulov] A whole detachment of academicians has taken up arms against all of you of late. What has caused this explosion of activity?

[Nechayev] I believe that what we have here are the personal ambitions of people who have their whole lives basked in power and who have now found themselves not needed. And, second, these are professional ambitions, perhaps. When they had an opportunity, they exchanged it for chatter and a cushy job. They are offended that people who are realizing their plans and ideas have appeared. I would allow also that there are certain political forces behind them.

[Narzikulov] But it has reached the point of obvious absurdities like Petrakov's proposal that fixed prices be introduced.

[Nechayev] Yes, a price and wage freeze. In modern Western economies with a low level of inflation it is still possible to attempt to impose fixed prices on a limited range of commodities, providing some budget subsidies. This given their sufficiently developed tax service and relatively stable prices. For them inflation of the order of an annual 20 percent is a national catastrophe. Given our rate of inflation of 10-15 percent a month, attempting to fix prices would be an absurdity.

[Narzikulov] What may be put down as positive results of your policy?

[Nechayev] The main thing is that we have succeeded in freeing prices, which was extremely necessary, and freeing them without causing any serious social crisis in society, any super-crisis of production. Actually, say, the decline in production in February was less than in January. In March, as all estimates show, it was considerably less than in February. And in terms of many types of physical indicators production is growing. There is a danger that there will, indeed, be mass bankruptcies. But you see how the majority of enterprise managers are behaving. Instead of lowering prices, selling assets, selling material stocks (they are particularly high at defense enterprises), they are coming to me and saying: "Give us orders, give us money."

We are currently experiencing colossal pressure on the part of national sectors and enterprises and the local authorities.

[Narzikulov] But there is a financial crisis, after all, and the sum total of nonpayments on short-term credit has amounted to 606 billion rubles [R]—nine-tenths of monies issued. What will the government do?

[Nechayev] This situation is dangerous primarily for social considerations. For this reason we have to lend support, if only partial. On the other hand, we do not intend providing handouts, and the assistance will be in the form of credit. What is the extreme danger of this way out of the situation if we were really now to extend credit to all debtors? This would mean that we would be

pouring out a gigantic money supply, and there would accordingly be a new spiraling of prices. This would be inevitable. But we will extend credit to some debt, for all that: within the range of 10-20 percent of reciprocal enterprise debt.

[Narzikulov] Who gets lucky?

[Nechayev] The allocation of credit will be selective. We have formed a government working group, which has formulated the principles of the selection of the facilities to be allocated credit. We will allocate agriculture credit first and foremost because this is a seasonal sector: The prices of raw material, intermediate products, and equipment have risen, but the agricultural product has yet to be sold, they do not have an opportunity as yet to avail themselves of the new prices.

Second, we must extend credit to the sectors working for consumption. This will neutralize to a considerable extent the inevitable new discharge of cash which follows an increase in credit. We will also extend credit to some enterprises undergoing conversion, only on the strength of a specific program, naturally.

Generally, our task is to find "points," investments in which will make it possible to cover the quite lengthy chain of enterprise debt. In addition, it is necessary to extend credit to the enterprises at which goods are sold successfully and which are experiencing temporary difficulties in connection with the bankruptcy of their debtors and so forth. And we will categorically refuse to extend credit to enterprises which have currency reserves, but are not selling them, or which have amassed quite large stocks of finished products and are unwilling to lower prices. This, for example, is the case with enterprises manufacturing agricultural equipment. We will give some that are in an emergency situation one further opportunity to survive. But they will be set very strict conditions—strict ceilings on wage and price increases will be imposed.

[Narzikulov] Here you are giving preference to agriculture, yet the kolkhozes have hung on to a substantial portion of produce and have not poured it onto the market. Several tens of millions of tons of grain alone are missing.

[Nechayev] You are exaggerating. In addition, there was truly a harvest shortfall, after all. But they are, indeed, holding back some things. And we are, of course, victims of our everlasting fear of the sowing. Whatever, we will not be extending credit to agriculture just like that.

[Narzikulov] Another important problem which is troubling everyone is the freeing of energy prices.

[Nechayev] On the one hand the government understands full well that stimulating energy savings and a limitation of production's energy consumption is possible only via an increase in fuel and energy prices. The situation in which the price of a tonne of oil, conditionally speaking, is now the equivalent of that of three hens or four kilos of meat is an absurdity.

The second argument in support of a freeing of fuel prices is that the energy complex has found itself in a very difficult situation. The price of pipes, components, and drilling equipment—the basis of the development of oil and gas production—has almost reached the world level. A pipe costs around R20,000, and at our present exchange rate this is of the order of \$200, almost the world price. But the average price of a tonne of oil with us is R650-700—five percent of the world price. We must either agree to gigantic subsidies for the fuel and energy complex, as we have always done, in fact, when 40 percent of industrial investments have gone into power engineering, or prices need to be released. Business managers and the local authorities have big fears here that there will be a big jump in the price of energy resources, of oil and gas and electric power included, which could put primarily transport, housing, and municipal services and the manufacturing sectors in a bind. For this reason we are coming in for quite serious criticism for our intention to release prices. A definitive solution has not yet been found, but I believe that we will find a compromise. I believe that we should release prices in stages, not all at once. That is, we are calculating a model price which is now needed for the normal functioning of the sector and we will, possibly, simply bring current prices up to it. An increase by a factor of four or five is possible. But this depends on which price is taken as the basis—the actual or fixed price.

[Narzikulov] Can you predict the course of the coming congress of Russian deputies?

[Nechayev] Several scenarios of the development of events are possible. The first: A new constitution will be adopted, for all that, and the correlation of executive and legislative power will be determined by the constitution. A second version: The congress will deprive the president of his special powers, which he obtained in the fall, and there will once again be the question of approval of the government in the Supreme Soviet and, accordingly, of the possibility of the Supreme Soviet influencing government policy to a greater extent.

[Narzikulov] Will any adjustments be made to government policy?

[Nechayev] What I have been speaking about thus far are, strictly speaking, adjustments. In other words, all adjustments are being made on the basis of the fact that our undoubtedly correct macroeconomic policy has to be realized at the microlevel, at enterprise level. This will undoubtedly take some time. Our entire credit policy, which is geared primarily to combating inflation and to financial stabilization, commands us to be as strict as possible. But at the same time, trying to prevent a gigantic fall in production, we are now allowing certain indulgences in this respect. This applies to the liberalization of the price of oil also. We are not abandoning the intention of arriving at a normal structure of world prices, but this will be done in stages.

[Narzikulov] Will taxes be lowered?

[Nechayev] Not today, I believe. In a while. Speaking of the main emphases of the reform generally, they will gradually shift from the sphere of finances to the sphere of structural policy. We will in the future, of course, make a certain reassessment of our tax policy. We are planning to gradually free, say, investments from profits tax. But all this in stages once again. Initially for the sectors manufacturing consumer goods and for enterprises undergoing conversion.

[Narzikulov] You mentioned structural policy. Does this mean that a new long-term program will appear in government activity?

[Nechayev] We have always had such in mind, but have not had an opportunity to move it up to the forefront. As far as structural policy is concerned, we need to speak of it in a dual sense. First, structural policy in the sense of institutional transformations, that is, that which is connected with privatization, and, second, structural policy as a change in the sectoral structure of the economy. We have already begun with conversion and are imposing limitations on the swallowing up of resources by the giant defense sector. We are simultaneously attempting to reorient the economy toward the consumer sphere.

[Narzikulov] And have there been other results?

[Nechayev] The situation on the consumer market has improved considerably. I realize that this has entailed the artificial severance of some consumers.

[Narzikulov] But a paradoxical situation is being created now—prices have increased and shortages persist.

[Nechayev] We have still managed to avoid hyperinflation. Things can still be bought with the ruble. The degree of barterization of the economy is now less than it was last year.

[Narzikulov] Do you think this will last for long? Freight-cars with sugar and containers with frozen fish are crossing the country, and all this is being used as a means of payment and form of barter money.

[Nechayev] I am not saying that the ruble has become a sound currency. I am far from such optimism. There will now be a new explosion of prices and depreciation of the ruble and the conversion of the economic system to payments in kind, but this is for the final time. Earlier, back in November, December, directors were coming to me and saying: I am not being supplied with resources, get me rolled metal, cement and so forth. Now they are all coming with just one theme: Give us money. No one is talking about any resources. All are concerned with the search for money and the marketing of their products.

Generally speaking, there are no such things as shortages. If there is a free market, a commodity should be for sale at any astronomical price.

[Narzikulov] But you have carried through price liberalization, and in 90 percent of Russian cities there is no

fish, for example. Could it be that liberalization under our conditions is a 20-year process?

[Nechayev] First, behind all this is still the old supply system. Second, we are paying for nonprivatized trade. Truly, outside Children's World is where free prices are. In a nonprivatized store it is far more profitable to issue goods through the back door—profits tax, income tax, and value added tax do not have to be paid. The costs of trade are, as before, borne by the state here. And, finally: We have not yet succeeded in damping down inflationary expectations. The Economic Policy Memorandum was published, and the expectation of a new jump in the price of energy arose, and once again the mechanism of speculative demand was triggered.

[Narzikulov] But you squeezed the money supply, after all, and in accordance with all economic laws, demand should have been brought into balance with supply. Could it be that the money supply is leaking, for all that?

[Nechayev] Well, the Central Bank has eased things just a bit, and we have done so a little also. But heightened inflationary expectations are exerting an influence to a large extent.

[Narzikulov] You mean that the public is preferring to invest its money in consumer goods, not in production?

[Nechayev] What you call investing in consumer goods is in fact a specific form of savings, but the heart of the matter does not change—we need to achieve a growth in the rate of real savings.

[Narzikulov] Can it be concluded that there was no liberalization shock as such? It was painful, but there was no shock.

[Nechayev] There was a shock, and the patient has not yet recovered. We cannot ask the impossible. In 1987 all these reforms would have gone through "to acclamation." But when we set about it, we had simultaneously to deal with structural reorganization, an upturn in production, price liberalization, and financial stabilization. There are, you will agree, no miracles.

[Narzikulov] There are a number of vitally important sectors which are dying before our eyes. I am speaking about light industry, the food complex. To a considerable extent their activity was built on imported raw material.

[Nechayev] Let us separate the "blame" of the reform or, on the contrary, its distinctiveness of our policy from what has been done in the past two years. Under the influence of an involuntary reduction in imports and the disintegration of interregional relations production has been declining this whole time. We are now attempting to do something to alleviate the transitional period—we are attracting Western credit and using investment credit to purchase raw material, which is, naturally, annoying. If we are talking about some trifling dye for a weaving factory, we allocate the foreign currency for its purchase, of course—at the expense of investments.

[Narzikulov] You now need a large amount of money for the realization of your plans. But following Pavlov's and your price increases, the citizens have no money. Your strategy as minister of economy?

[Nechayev] First, I do not agree that there is no money. It all depends on how it is distributed between savings and consumption, including, as you say, investment in consumer goods. Therefore, as soon as you secure the minimum financial stabilization, this ratio changes immediately. It is not that there is no money altogether, there is no money for investments. No one wants to invest.

[Narzikulov] You do not believe that the possibilities of the internal investment process have been undermined?

[Nechayev] They have been weakened, but not undermined. If you have a stable ruble and a low level of prices, investments grow. If you have inflation of an annual 100-200 percent, the interest rate has to rise to crazy heights for there to be investment.

[Narzikulov] How is the government combating the investment crisis?

[Nechayev] We have prepared documents on the creation of mixed investment funds. I see as our main task here the creation of outside-of-budget investment funds with state participation, where part of the centralized capital investments would go. Inasmuch as this sphere is under the patronage of the state, sums of capital—foreign and national—would come together here.

[Narzikulov] What is the situation in the export sectors?

[Nechayev] The volume of oil exports has, as is known, declined sharply. We are now trying to depoliticize as much as possible arms exports, which are in fact for us the second source of currency receipts. Earlier they were so ideologized that they could be termed exports only on paper.

[Narzikulov] Does the government have among its other aims a desire to help our exporters break through onto Western markets? Perhaps it would make sense to put the issue to the West thus: Humanitarian aid is all very well, but if you really want to help, open your markets?

[Nechayev] I am under fantastic pressure from them as it is. You understand, they are well disposed toward us as long as it is not a question of the interests of their own industry. As soon as some risk for they themselves appears, the friendship ends. Humanitarian assistance is a payment for some political aspects, but if you start to penetrate their market, they immediately threaten sanctions and restrictions.

This was the case with aluminum. We could this year have released onto their markets approximately 1 million tonnes of aluminum—in response they threatened to impose sanctions on us. We had to give way and say that we would be responsible for exports only of 900,000

tonnes. And to explain that we were not responsible for the export releases of aluminum by other countries of the CIS.

[Narzikulov] But you will agree that no one—neither previous governments nor yours—has attempted to create a uniform concept of a breakthrough onto the markets of either Western or developing countries.

[Nechayev] Let us solve the question of financial stabilization, and then we will make a study of export strategy. Money has to be earned. There is no economics without money.

I believe that if by the end of the year we have privatized trade and services if only 50 percent, liberalization will work. It is in trade and services that this is particularly important: in France almost half the enterprises are state-run, but they live in a market environment. We lacked such. We have created the rudiments of a market environment. Without free prices, for example, it would be impossible to carry through normal privatization inasmuch as it is necessary to determine a normal price of the facilities being privatized.

Western investments and Western capital should be the next step. I would put it thus: If investments and capital are not forthcoming from the West, there will be a great deal of creaking in the reforms.

Bunich on Current Government Reform Plan

924C1229A Moscow *LITERATURNAYA GAZETA*
in Russian No 16, 15 Apr 92 p 10

[Article by Pavel Bunich, member of the Russian President's Consultative Council: "They Are Not Changing Horses in Midstream"]

[Text] 12 Apr—There were noticeable changes in the conduct of the government for several days before the current Russian Congress of People's Deputies. I cannot say they were the same changes everyone was waiting for, but the first steps toward the truth were taken, all the same. This was also confirmed by B. Yeltsin's report. In particular, it contained answers to the numerous harsh and critical attacks on the government by centrist market forces. We should be aware of a simple truth: no matter who comes to power today—I am not considering assumption of power by the most reactionary leaders—he will be compelled to pursue a market policy. But then it will be an inadequate market policy, a cosmetic policy. And we will once again subject it to sharp criticism. We are criticizing the current government for something else—for its failure to consider sufficiently the objective laws of gradual, inertial development of the economy and the rise in the standard of living. In fact, this is an abstract, doctrinaire policy. It is all right for a student of political economy, where the factors of people and time do not have to be taken into account.

But for those of us who have lived for decades under the command and administrative system, such a policy is

unendurable. We have not yet become accustomed to the way the Americans do not plead for higher incomes by meetings and strikes, but simply get them by their own work. Perhaps the government of Ye. Gaydar would be centrist for American reality. But for us it is a government excessively oriented toward commodities and marketing.

Just what can and should be done in this short period of time which the congress—and consequently, the public—have given the Russian president and head of government? In my view, the first and most important thing is to stop the decline in the people's standard of living! It has already declined too much. And we should give "thanks" to the people for being so tolerant. But we cannot respond to good with evil. We are in dire need of social compensations and conditions in which people not only receive, but earn! That is what is most important.

The government regards the production decline quite calmly. It predicted it with almost Olympian steadfastness. But it is not really hard to comprehend: we will be restoring the ruined economy for a long time afterward. When enterprises stop and the people scatter, you cannot get them together again. And the production facilities that continue? What will happen to them? We have to say honestly and frankly: whether we want to or not, we will have to operate with a credit emission. Not a Pavlov emission, not a Gaydar emission, but a Yeltsin emission.

Something has to be changed in the tax system as well, obviously. And I am not referring to benefits, or more precisely, not to the ones the government is speaking about. You cannot tighten a noose around a person's neck and loosen it a little later on and say you are granting him his life. A benefit is when a person is given something beyond a normal life.

Here is the question of questions: when will prices for energy resources be raised, and to what level? The government has promised that it will not be right away, but in several stages. It would good, particularly for the manufacturers, to know beforehand when the first stage, and the second stage, and so forth are to begin. After all, it is impossible to plan production, or simply one's life, without this knowledge.

No, I am not crossing out the government's idea of bringing our prices closer to world prices. It is a good idea. But the world price is not a statistical average, by any means. It is the price that satisfies both the seller and the buyer. No one will force Turkmenia to sell gas to Ukraine at the previous excessively low prices, as an example. As a result, it will sell to its southern neighbors, but at higher prices.

No one, even the most highly trained athlete, can set the bar at an unattainable height right away. He will not reach it, in any event. That is why there is a height to reach and a height where one will fall. Well, let us raise the prices for energy resources by 10 times as much right away. And what will happen? An aircraft cannot fly on

one-tenth of the fuel it needs. Even if it gets into the air, it will fall to the ground in a few minutes. And motor vehicles cannot be run on one-tenth of the gasoline they need, either. They will stand still. And this is what will happen if we rush into a price race.

We can only be pleased that all these truths have reached the president and the government. Although this fact should not make us euphoric. We still have to find out what the government's practical steps will be. We should know beforehand, even if something is approximate and not for the long term. And it would be good to know not only the future prices, but the interest rates for credit, and the customs duties... And a great deal more, without which it is impossible not only to begin new business, but to continue old business as well.

Incidentally, I would reject the charge that the current government is made up of nonprofessionals. Can we really consider only a technocrat or an engineer to be a professional? It is also good to be healthy, wealthy, and even happy, of course. Well, what if this is not the case? Then it is better to have a super-radical at the head of government whose line is not in desperate need of correction and who is capable of responding to criticism. This is why I am against changing horses in midstream.

Bunich Cites Dangers of Production Decline; Defends IMF

92A0960A Moscow TRUD in Russian 14 Apr 92 p 2

[Interview with Pavel Bunich, president of the Union of Leaseholders and Entrepreneurs of Russia, conducted by ITAR-TASS correspondent N. Semenenko for TRUD; place and date not given: "Pavel Bunich: It Is All Correct, But an Adjustment Is Needed"]

[Text] The criticism heard at the congress has evoked the need for expert assessments of the reforms under way in the country. Pavel Bunich, president of the Union of Leaseholders and Entrepreneurs of Russia, expresses his viewpoint.

"If even right-wing or procommunist forces were in power in Russia today," he said, "I am sure that they would, all the same, be pursuing a market economy policy.

"Under the present conditions the government's policy is not only in principle correct but is also the only one possible. Knowledgeable professionals mainly work there currently, although I have to say that in particular instances their actions are too rectilinear.

"True, there have been certain changes of late in government policy, and this was shown at the congress also. It has agreed to credit, and considerable support for conversion has been promised. This is good also inasmuch as the credit is being given on the strength of future production, on a long-term basis, what is more, not in order to pull enterprises from the mire in five minutes."

[Semenenko] What would you recommend that the government do?

[Bunich] It should understand that allowing a further decline in individuals' living standard is dangerous. The government has announced that it will increase credit to agriculture. This is good, but it is impossible to treat just one organ of a sick organism. Agriculture without industry will not work.

It needs to be understood that even more dreadful than a fall in the living standard is a slump in production. I heard with astonishment that it has, allegedly, merely declined; in reality, however, the recession is increasing apace. It is leading to new high prices, unemployment and, in addition, free time which is being filled with politics. When people have nothing to eat, it is clear what the politics could be.

The government has hitherto viewed the recession quite calmly, hoping that following it the classical market model would kick in and that stabilization and upturn would commence. But this has not happened.

[Semenenko] Why?

[Bunich] There is a law of the world economy: The higher prices are, the higher production. With us, however, the opposite has occurred. The reason is that not simply high but preposterous prices are killers of production. No one will purchase the product. The situation is being made worse by the fact that together with the closure of unprofitable and loss-making enterprises the government has ceased allocating credit to all the rest. Exports and imports have practically collapsed. We have thus violated a universal law. The economic system was not prepared for its products to be rejected.

[Semenenko] How will the forthcoming freeing of energy prices be reflected in the country's economy?

[Bunich] There is no way we can escape world energy prices. We will approach them sooner or later. But energy prices should be freed gradually, in stages, that is, we need to "suspend" the plank at the level which can "take" the economy at this time.

[Semenenko] What would you say about our relations with the International Monetary Fund?

[Bunich] Under no circumstances can it be maintained that the Russian Government's policy is being dictated by the International Monetary Fund. Its main task is not to "drive" us into the Fund's Procrustean bed but to pull our economy out of the crisis. And if the Fund's experts see that the plan which they are proposing is inappropriate for us, they will adjust it even sooner than this would be done by Gaydar's "team." The charges heard at the congress to the effect that we are begging assistance from the IMF are nothing more than an outright untruth.

Economist Ponders 'Pluses' of Government Reform Plan

924C/1165A Moscow LITERATURNAYA GAZETA
in Russian No 15, 8 Apr 92 p 10

[Article by Aleksandr Livshits, doctor of economic sciences and professor (Istina Center): "Don't Elbow Gaydar: A Sick Economy Does Not Need Good Socialists Inclined To Complain but Strong Pragmatists Ready To Rescue"]

[Text] Hardly a single government exists that has placed itself under such a hail of criticism as the present Russian one. Both housewives and academicians are criticizing it without being very shy in their statements.

Behind the politicians' sharp words you will not always immediately discern where there is something constructive and where there are only ambitions understandable only to initiates. Possibly, a basic test of strength is frequently taking place—why should one participate in the affairs of ministry portfolios which could suddenly be without managers?

One can recognize the ancient clashes of different schools and currents in our native economy more and more clearly and openly in the critical escapades of some economists. They are both similar and different in nuances and they are directly contradictory. There is nothing strange in this since a pluralism of opinions can also exist.

The author of today's article in LITERATURNAYA GAZETA has undertaken an attempt to analyze the reform's progress. In doing this, he goes against the current and stresses the pluses of the government program. Every economist has a right to his own opinion—let us listen to him.

The situation in the Russian economy is not improving and people are cursing the government. Professional economists are also engaged in this. Some of them, sincerely respected ones, seemingly have a negative supertask that consists of a fundamental policy change. The selection of arguments is not always a complicated problem because the economic regulators at the disposal of any government are contradictory based on the consequences of their application. There is not a single one which—in addition to positive effects—would not certainly provide negative effects also. If, for example, the authorities resort to a restrictive monetary policy, one could berate them for a scornful attitude toward the needs of investors who have been crushed by expensive credit. The government also trips when it acts in the opposite manner: It is reproached for pandering to inflation. A. Nevzorov's methodology has begun to be disseminated in the academic world: Mayor Sobchak went abroad—he squandered the people's money and bathed in luxury; Mayor Sobchak did not go abroad—he did not care a damn for the city's interests and missed a beneficial contract.

An economist, of course, should not be an apologist for the government; however, the role of an adamant critic is also out of place. It is not so much the desire to help as pretensions to power—either one's own or those advanced "by power of attorney"—that are usually behind the accusations of incompetence. It is permissible for a professional observing the work of a legal government to consider mistakes, express dissatisfaction and grumble; however, do this constructively without elbowing and without forgetting that one's place is a folding chair in the places where directors of political actions sit. He sits down; if they call, he advises or dissuades and returns to the professional trade—teaching students and writing books. God forbid that one should forget oneself and take somebody else's arm-chair. Today's economist always has his own idea and if it differs from reality, so much the worse for the latter.

To evaluate policy correctly, one must have a clear picture from the very beginning of the government's actual capabilities and where its power ends. Since large-scale market changes are occurring in Russia, it is absurd to hold the Yeltsin-Gaydar administration responsible for everything that occurs in the national economy. It does not control the economy and, properly speaking, it is not planning to do so. The more persistently the political authorities conduct market reforms, the less the authority over the economy that will remain with them.

If one looks at the Russian government, which has ruled for only several months, from this viewpoint, one can detect that it is operating in a constantly narrowing space of direct control. It is impossible to command and receive the required products; it is impossible to force territories to make that which is unprofitable for them; etc. Even in this situation, however, there is something to enter on the credit side.

It has turned out, for example, that economic policy cannot at all be boiled down without fail to the next reform in state management and to the invention of new regulation methods. One can attempt to simply leave the economy in peace, having worked on its re-regulation. Having acted this way, the Russian government got on the right road along which many countries in the world are traveling. Let us point out that this movement was not similar anywhere to the march of a parade detachment. What is there to say about our economy where citizens still appeal only to the government on every occasion; where, until quite recently, the paternalism of the highest—the fourth degree in the Kornay sense—flourished; and where the state treated an enterprise exactly like a loving father treats a newborn baby—without even understanding what he wants.

I am convinced that people were genuinely shocked not so much by the liberalization of prices as by the growing understanding that the government no longer plans to extend a kind fatherly hand to each one of them. The discovery frightened them—the more so since in contrast to past years the authorities this time have not

provided the population with a life-saving idea that is fixed on the future and one that would help them to survive the difficult times. True, there is a positive item here. As yet, the new faith, at whose center will probably be Russia's national rebirth, has still not acquired any final contours and the individual has received a long awaited ideological breathing-space. The government has placed him in conditions where time to look around and realize that he must now basically depend only on himself and find his place in a market economy, has appeared.

The Yeltsin-Gaydar administration has declared inflation to be the number one national economic problem. An action was taken that their predecessors, who only stretched out the time and succeeded in thoroughly messing up the budget and money circulation in the end, had not dared to take. Judging from the persistence with which the administration has begun to adjust budget and monetary restrictions, we are dealing with a government having a conservative orientation even according to the most strict world standards. The reason, I think, lies not at all in political and ideological sympathies but in economic necessity. Socialist governments overwhelmed by a concern for equality, social justice and the timely distribution of monetary tips are good in a healthy economy when there is something to divide. For an economy that is suffering from a serious inflationary illness, they are contra-indicated since they can only deal the final blow to it. The hour of conservatives, who are filled with a determination to conquer inflation and who know how to do this, arrives during years of hyperinflation. During those times, a country does not need good socialists disposed to complain but strong conservatives ready to save it.

Our government's love for the ruble or rather a genuine passion for it—which, however, has always been peculiar to conservatives—has clearly become apparent. A desire to force the citizens of Russia and those, who live beyond its limits, if not to love at least to respect the ruble is noticeable. Let us hope that the financial restrictions will help everyone to understand that earning money is a difficult trade: One must not only work skillfully but also sell what is made skillfully. One must learn that debts are paid and not written off, that one needs to look for resources for investments not in the budget but in banks and on the exchange, etc. All of this, I am confident, will become possible only when a conservative policy is consistently followed—without vacillations and retreats. Judging from experience, it is easy to begin a policy of financial stabilization but much more difficult to continue it. Determination alone is not enough; steadfastness is also needed and not for months but for years. Will the Russian government have this?—time will show.

Many economists are upbraiding the government for the fact that it has confused the sequence of moves, namely, it has unleashed price liberalization before liberalizing the markets themselves, which remain monopoly ones. Perhaps this is so but, you see, it has already been done and the train has left. No one knows at what speed it will

travel and when it will get to "Prosperity" Station. One must proceed from the existing realities and examine them a little more carefully. Then, one can point out not only negative but also positive effects.

Indeed, a natural reaction by our native monopolistic structures followed the freeing of prices. Looking back on the volume of inflationary demand, which boggles the imagination, they immediately pushed prices up—sometimes even beyond the limits of the balance marks. Subsequent events and government decisions (though incorrect but, nevertheless, pro-market together with the activity of entrepreneurial formations) led to depressurizing some markets and promoted in them a commodity proposal that possessed a definite price elasticity. This had an effect on pricing dynamics: Part of the goods and services fell in price somewhat.

The present generation of Russian producers and consumers has, for the first time, found out that prices, it appears, can come down—not on the eve of an anniversary or national holiday and not when the party and the government wanted to make the population happy but on a normal work day in a natural market order. The producers realized that, having only one tested monopolistic tactic (the price—higher; the quantity—less) at their disposal, it is possible to fly. The consumers understood that the usual model of behavior (force the doors of stores and seize everything that comes to hand) far from always provides the best effect.

Although the economic situation will remain unstable and a new jump in prices is not excluded in the coming months, it is difficult to overestimate the significance of the February-March 1992 experience. It has already penetrated into economic memory and has had an effect on economic psychology, bringing it closer to that which is characteristic of a market economy. This happened exactly because the Yeltsin-Gaydar government undertook the liberalization of prices, it would seem, at the most inappropriate time without considering in advance the jumps from the monopolistic hummocks.

The government of the Russian reformers has still not been able to shift toward a better economic situation. However, it did manage, perhaps, to do something bigger—break the economic psychology, having put the population through an elementary market school. Although, we will say right out, the people went through it without any special eagerness, the instructors were not too skillful and the training boiled mainly down to one practical class, the lessons were necessary and the majority mastered them.

Did the government avoid doctrinaire errors? Unfortunately, it did not. We will only point out the insufficiently considered obligation to balance the federal budget instantly. The political will of genuine conservatives, who from time immemorial have been passionate fighters for a balanced budget; the good intentions of the new leaders, who dream of curing the deficit ulcer more

quickly; the desire to surprise the world; or anything except a sober economic calculation were able to stand behind it.

It is impossible to balance the budget in the periods defined by the Russian economic administration. To achieve the opposite at any cost means causing quite a bit of damage to the economy and to the budget itself primarily because the state's obligations to the country's population are concealed behind it. Regardless of whether these obligations are sound or not, a responsible government does not have the right to break the bond of the times suddenly. You see, a significant portion of the citizens are, as usual, extremely far from the heights of political power: Whether Pavlov or Gaydar—it is all the same to them. They are not at all guilty of the fact that previously, it seems, the policy was bad and that it has now become good. It is not fit for a government to look like a favorite who voids the promises given by its predecessors and refuses to pay old accounts. A plan for eliminating the budget deficit, which is calculated for two-three years and which will be implemented with absolute rigor, must replace rash decisions.

Because of a flaw in the direction of financial stabilization and doctrinaire one-sidedness, important policy avenues like demonopolization, privatization, long-term structural changes in production, and other important political topics turned out to be half-forgotten. Having undertaken price liberalization, it is hardly appropriate to delay the beginning of a program to help competition. It is time to stop power pressure on entrepreneurial structures and their division into "pure" (those having a nomenklatura origin) and "adulterated" (all the others). One can only say one thing about those who were able to arrange for a nomenklatura privatization to their own advantage without breaking a single law while doing this: They are crafty lads. However, one must confine oneself to this, having ceased replacing a right with a moral feeling and having finally recognized that business, generally speaking, is a pursuit for crafty people. You see, reality is such that a firm, which has been dug up together with its nomenklatura roots, quickly withers and becomes less a rival in our economy, burdened enough as it is with monopolism.

It is a different matter that one must treat the newly appearing businessmen with all the severity of the anti-monopoly laws if they deserve that. Here, the government really has a lot of work. For the present, having frowned sternly, it is looking at only one side—at the monopolists who have entrenched themselves in the state sector. It would have been worthwhile long ago to turn one's head. Then, the non-state monopolistic formations, who are now operating essentially without any control, would immediately become visible. Here, timely antimonopoly preventive measures are needed, especially state control over mergers. When a monopoly has already burst into the market and pressed itself to the consumers' purse, it is rather difficult to cope with it—you should not delay. It is far more effective to try preventing the appearance itself of a monopoly. In other

words, the government should not worry so much today about the birth of a business as its economic behavior.

Nevertheless, the main reserve for regulating lies elsewhere. The government is constructing its policy on the fact that market mechanisms are universal and that the citizens of Russia are, in principle, no different in their economic reactions from those who live in other countries. All this is true; nevertheless, it is just as true that the market processes occurring in Kursk Oblast will always be different than those in Osaka Prefecture, the State of Alabama and the Bavarian Land. The effectiveness of the market reforms and the people's trust in the authorities will hardly become high without considering the Russian economy's national distinctive features.

More Russians Applying for Work Abroad

924A0946A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 10 Apr 92 p 3

[Article by Ye. Anisimov: "No Man Is a Clerk of the Works in His Own Land: CIS Citizens Are Eager To Work. In the West"]

[Text] Prostitutes in the Kosmos Hotel are not the only ones these days who can earn hard currency, and intelligence officers under a variety of "covers" are not the only ones who can travel about in foreign countries. If you are able to find a foreign company that is willing to pay for your hands and brains in hard currency—go and work to your heart's content. And so our compatriots, tormented by poverty and therefore gullible like small children, are studying advertisement pages in newspapers in search of a job abroad.

The addresses various scoundrels palm off to them! Not long ago the consulate general in the Australian city of Sydney received a huge sack of letters from our compatriots, accompanied by a letter from the head of a local hospital, who pleaded: Please save us from this nightmare, it is interfering with our work! It turned out that this hospital's address somehow got into the hands of our swindler, who was selling it for substantial amounts of money, passing it for an organization looking for employees.

It should be noted that over there, abroad, they are not particularly eager to see us. Unemployment has gone up during the last few years (in Finland to the level of 14 percent); in addition, the opinion of Europe and Asia about the inhabitants of the former USSR has been formed on the basis of impressions left by tourists combing the stores.

The Ministry of Labor and Employment of Russia so far is exploiting purely political motives: You should, they say, help the country that has freed itself from the shackles of totalitarianism, teach the people how to live, show them what the market economy is and how to struggle as part of it... So far, it is working—the attitude towards migrants is not bad: the FRG almost has agreed

to allow in 13,000 guestworkers from Russia; negotiations are underway with representatives from France, Belgium, Denmark, Austria, Kuwait, and some countries in Latin America.

The demand for qualifications differs. The more developed ones ask for workers: The FRG is giving construction workers one half of its quota. Kuwait wants riggers and other specialists capable of working at the reconstruction of oil fields. Less developed countries are willing to accept electronics engineers and computer programmers. Practically all countries are interested in specialists from defense industries—their reputation in the international labor market is quite high. Teachers of dancing, music, and singing, as well as junior medical personnel, also have a chance.

But: God forbid you should go abroad illegally! Austrian journalists are tired of describing the horrible labor and living conditions of our illegals: They live 10-15 people in one room, work for pennies, and quite regularly someone gets killed or forced into prostitution. The same is happening in other countries, since the threat of deportation (forcible expulsion from the country) allows people without papers to be mercilessly exploited. Still, the attraction of Western store windows is so great that people keep going, taking any road to the longed-for sources of income in hard currency.

Labor migration is an absolutely normal phenomenon. This is the way for developed countries to solve the problem of shortage of skilled labor, while the undeveloped ones buy predominantly "the brains." We have both. What we do not have is an intermediary between the employee and the employer.

"I think that best prepared for this type of activity are the tourist agencies," says Russia's Deputy Minister for Labor I. Khalyavinskiy. "They have hotels, where people can stay for the period of language training, and facilities for medical certification; they can search for Western partners, put together databases... Our ministry will monitor the organizations engaged in finding employment for the people, and we will hold them to very high standards."

Another consolation Igor Vasilyevich offered: The West will soon begin experiencing a shortage of labor in all professions due to the demographic situation. While we, if we live that long, will be ready. We will save the West with our own hands. We have, as the Ministry of Labor tells the foreigners during negotiations, any specialists in any quantity at any time.

Agreement on Social, Labor Relations Signed

924A0916A Moscow *RABOCHAYA TRIBUNA*
in Russian 7 Apr 92 p 1

[Viktor Ukolov report: "The Deal Is Augmented With the Stroke of a Pen"]

[Text] It might be said that the latest meeting of the Russian tripartite commission on regulating social and labor relations started on a good note. Representatives of the Federation of Independent Trade Unions (FNPR) signed a General Agreement for 1992 between the government and the associations of trade unions and entrepreneurs. It should be made clear that in contrast to the partners they insisted on a postponement in order to discuss in a collegial manner the draft document in the presidium of their federation. And now, carrying out the general will, to the accompaniment of the applause they were completing all the formalities.

After the ceremonial moment, there was current work to do. But it was not done. The question of the reorganization of the social security system again remained unresolved, and was postponed.

Conflicts that brook no delay were introduced for discussion. Any day now we can expect the seamen working in water transport to go on strike. They are insisting that grants to the families of those who die, and to those who have been crippled or disabled, be paid out of production prime costs (or the prime cost of work or services).

Their second demand is that when visiting foreign ports they be given a larger daily hard currency allowance (no one is putting any of the enterprises' own assets into the purse). But here they have met their match.

At the session of the tripartite commission the seamen were supported by representatives of both the trade unions and the entrepreneurs. But the third row of chairs remained half empty—members of the government had somehow "disappeared" unnoticed before the voting.

For this reason the strike situation at the oil fields in the Komi Soviet Socialist Republic and in Usinsk was also not resolved. Displaying solidarity, the oil field workers are demanding that their wages be "brought up" to the level of workers in budget-funded sectors. They are alarmed by the state of affairs in the construction of housing and educational, public health, and agricultural projects. And now, having spent the day as honored guests in the Marble Hall in the government offices on Staraya Square, people were forced to return home with nothing.

The leader of the trade union delegation in the commission, Vasily Romanov, could not bear it. At the end of the session he made this sharp statement: "We refuse to act any longer the role of a screen behind which the government pursues its own line without agreeing it with anyone. Let it explain directly, face to face, its attitude toward people who have risen up to defend their own interests. When it comes to a common denominator, whether this is good or not, the trade unions support those who have justice on their side."

Vasily Romanov also said that there have recently been increasingly frequent attempts to discredit the trade unions in the FNPR. Things have reached a pass where state secretary Gennadiy Burbulis allows himself to

discuss on television whether or not this federation is good, and is predicting a split.

"If this continues we shall be forced to resort to the practice in civilized society, namely make responsible those who love to purposely confuse things," the chairman of the FNPR concluded.

Decree Invalidating 1981 Property Tax Rulings

92SD0327C Moscow ROSSIYSKAYA GAZETA
in Russian 14 Apr 92 p 2

["Russian Federation Governmental Decree, No. 205, Moscow, 31 March 1992, on Recognition of Russian Federation Governmental Decisions That Are no Longer in Force as a Result of the Law of the RSFSR 'On Taxes on the Property of Physical Persons'"]

[Text] As a result of the Law of the RSFSR "On Taxes on the Property of Physical Persons", the Russian Federation Government resolves:

1. To recognize as no longer in force:

a) RSFSR Council of Ministers Decree No. 286, 27 May 1981, "On Benefits for Local Taxes" (RSFSR SP [Collection of Government Regulations and Decrees], 1981, No. 16, p. 111);

b) RSFSR Council of Ministers Decree No. 287, 27 May 1981, "On the Allocation of RSFSR Population Centers by Classes for Collecting the Land Tax and on the Establishment of a List of Cities in Which the Tax from Transport Vehicle Operators Is Collected at Higher Rates"; and,

c) RSFSR Council of Ministers Decree No. 512, 13 December 1984, "On Amending RSFSR Council of Ministers Decree No. 286, 27 May 1981, "On Benefits for Local Taxes" (RSFSR SP, 1985, No. 1, p. 3).

2. Russian Federation ministries, state committees, and departments will bring departmental normative acts into compliance with the Law of the RSFSR "On Taxes on the Property of Physical Persons" as soon as possible.

[Signed] Ye. Gaydar, Russian Federation Government
First Deputy Chairman
31 March 1992, Moscow

Decree Invalidating 1963, 1975, 1987 Resort Tax Rulings

92SD0327B Moscow ROSSIYSKAYA GAZETA
in Russian 14 Apr 92 p 2

["Russian Federation Governmental Decree, No. 201, 31 March 1992, Moscow, on Recognition of the Russian Federation Government Decisions That Are No Longer in Force as a Result of the Law of the RSFSR 'On Resort Tax Collection From Physical Persons'"]

[Text] As a result of the Law of the RSFSR "On Resort Tax Collection From Physical Persons," the Russian Federation Government resolves:

1. To recognize as no longer in force:

a) RSFSR Council of Ministers Decree No. 1012, 16 August 1963, "On the Collection of Resort Taxes From Citizens Who Arrive for Relaxation at a Resort Location Without Organizational Sponsorship" (RSFSR SP [Collection of Government Regulations and Decrees], 1963, No. 15, p. 104);

b) RSFSR Council of Ministers Decree No. 461, 8 August 1975, "On Changing and Recognizing RSFSR Governmental Decisions That Are No Longer in Force on Issues of Collecting Resort Taxes From Citizens" (RSFSR SP, 1975, No. 17, p. 123); and,

c) RSFSR Council of Ministers Decree No. 489, 15 December 1987, "On the Partial Change of RSFSR Council of Ministers Decree No. 1012, 16 August 1963," (RSFSR SP, 1988, No. 1, p. 4).

2. Russian Federation ministries, state committees, and departments will insure that departmental normative acts that contradict the Law of the RSFSR "On the Collection of Resort Taxes From Physical Persons" cease to be in force as soon as possible.

[Signed] Ye. Gaydar, Russian Federation Government
First Deputy Chairman
31 March 1992, Moscow

Ukase on Additional Measures for Implementing Privatization Program

92SD0327A Moscow ROSSIYSKAYA GAZETA
in Russian 14 Apr 92 p 2

["Russian Federation Presidential Ukase No 322 'On Additional Measures for the Realization of the Primary Provisions of the State and Municipal Enterprises Privatization Program in the Russian Federation for 1992'"]

[Text] For the purpose of accelerating the privatization process and for ensuring the rights of citizens, I resolve:

1. That the Russian Federation Government will introduce a system of named privatization accounts in the 4th quarter of 1992.

2. In the event that a partnership (joint stock company) unites exclusively workers of an enterprise (no less than one third of the listed work force), is the only participant of the competition and auction, the enterprise is sold to the indicated partnership (joint stock company).

In so doing, the price of the facility is determined while considering the assessment of the fixed assets for the renewal cost that is determined in accordance with the "Interim Methodological Provision for the Assessment

of the Cost of Property of State Enterprises and Organizations that Are Subject to Purchase or Sale" and approved by USSR Ministry of Finance Order No. 131, dated 29 November 1990.

3. From the moment the request is submitted for privatization of an enterprise or subdivision and until the buyer's property right emerges (or until the first stockholders' meeting has been conducted), the enterprise administration is prohibited from carrying out a reorganization or liquidation, or from changing the structure, personnel scheduling or releasing enterprise workers (other than release according to a worker's desire).

4. During privatization of trade enterprises and enterprises that are located on the territory of rural populated areas and that carry out initial processing of agricultural products, the conduct of restricted competitions is authorized in which only residents of the rural populated area and rayon where the enterprises being privatized are located, and also enterprise workers, are permitted to participate.

5. The Russian Federation State Committee for the Management of State Property issues normative acts within the limits of the law on privatization that are compulsory for enterprises that are the property of the Russian Federation and republics, krais, oblasts, autonomous oblasts, autonomous districts, cities and rayons within the Russian Federation.

6. Establish that, during privatization of municipal property, the committees for management of the property of cities and rayons have the right:

—to carry out the functions of a body that conducts a liquidation (liquidation commission);

—to independently decide all issues relating to the liquidation of a municipal enterprise in accordance with the ukases of the Russian Federation State Committee for the Management of State Property

7. This Ukase does not extend to collectives of leased enterprises.

[Signed] B. Yeltsin, Russian Federation President
Moscow, the Kremlin, 2 April 1992, No. 322

Oil Extraction Sector Privatization Viewed

924A0936A Moscow DELOVOY MIR in Russian
No 52, 7 Mar 92 p 9

[Article by candidate of physico-mathematical science Valeriy Neverov from the GERMES Company, and candidate of economic sciences Aleksandr Igolkin, a docent at the State Management Academy: "Privatization Will Save Oil Production"]

[Text] The question of which sector the reform of the economic mechanism should start with is often raised in the periodical press. But for the theoreticians the role of "locomotive" is often played by agriculture. We suggest

that the reform should be carried out comprehensively in a way that certainly does not bypass the most important sectors, as, for example, the oil production industry

They say that oil is the "lifeblood of the economy," but many economists call our society a "hydrocarbon producing" economy. This is not just some bright and beautiful image, it really does correspond with the reality. So we must start with the oil industry because it is precisely in this sector that the processes whereby the market develops are moving most quickly, all of their own accord, without any kind of government support (indeed, on the contrary, when obstacles are constantly being created). All one has to do is look at the exchange reports to see that oil and oil products are the undisputed leaders in terms of volume of exchange. The initial market for oil and oil products has already been formed. This cannot be said of coal, natural gas, ferrous or nonferrous metallurgy, chemical industry products, meat, grain, sugar, and so forth.

With the aid of the intersector balance it is possible to define the total costs for a unit of a particular kind of output. For example, oil to produce an agricultural product or a car. If we do not produce a sufficient quantity of oil then an essential quantity of food will not be available, no matter how agriculture may be reformed. Expressed in physical terms, we use more oil than the countries of the West to produce a kilogram of grain, butter, or sugar. In other words, here the dependence of all sectors on oil is even extraordinary in nature, and somewhat critical.

Therefore, the combined efforts of the government and economic leaders and entrepreneurs should be used to extricate the oil sector from crisis. What can the government do alone?

It is necessary to pass not only a law on mineral resources but also a whole slew of laws on the use of oil to regulate questions such as rights to land and mineral resources, payment for their exploitation, mutual relations between oil production enterprises and the local authorities, conditions for rational development, environmental protection, and conditions for attracting foreign capital.

The state should strictly define a sequence and procedure for bringing new deposits on line, regardless of which enterprises will be producing the oil—joint-stock companies, state or joint-venture enterprises, or others. The rate of development at deposits should be not the maximum rate but the optimal rate, and this also depends on the state. The market mechanism will not determine the sequence or intensity in developing deposits. In our opinion, in the not too distant future the state should define quotas for oil production for particular companies. Experts from the GERMES Company are completing work on proposals to establish a fundamentally new system of relations with the OPEC countries. Obviously all state bodies designed to protect the

national interests should be ahead of commercial structures in such matters. It is essential to change the mutual relations between entrepreneurs and managers.

The managers of state enterprises in the oil sector are also resolving many of their problems with the help of commercial structures. This applies first and foremost to the problem of obtaining monetary assets. Thus, the Germes Company concludes contracts to purchase oil over several months with partial (up to 50 percent) payment. These contracts are then sold and resold on the exchange. Similar contracts are concluded to supply oil equipment, and are then resold until they fall into the hands of someone who needs exactly that kind of output. If at the time of delivery the output has not been produced, then the contract stipulates a fine. But in that case everyone gains and the fine is, as it were, a unique kind of payment for credit.

Unfortunately, many managers in the oil industry prefer only to play at market relations without trying to reform the economic mechanism in any cardinal way.

We are all well aware that our country occupies first place in terms of surveyed coal, iron ore, and natural gas reserves. But what of oil? It is as if even the experts imagine that the volumes of surveyed oil reserves and the share of our country as part of world reserves are insignificant. According to figures from the Austrian International Business Research Institute published last year, surveyed reserves of oil in the USSR make up six percent of all world reserves. According to figures from the Germes Company analysis service these reserves are much higher, but still do not exceed 10 to 12 percent. True, different subdivisions in our analysis service have independently one from the other concluded that there are considerable, as yet unsurveyed reserves in Krasnoyarsk Kray, the Caspian Depression, on the maritime continental shelves of the northern seas, and other places. However, the conditions for oil seams being there are such that technology for exploiting them may appear only a few decades from now. Notwithstanding, we act as thoughtlessly as if we were recovering more oil than Saudi Arabia. Our main efforts should be directed not toward increasing oil production but using it rationally. In terms of surveyed reserves of oil per capita, we run only slightly ahead of the average world level!

In 1990 some 455.6 million metric tons of oil were available. But the depth of refining is very inadequate. We can reckon that we lose 25 to 30 percent of our oil because of inefficient refining. Investing assets in deep refining of the oil is 2.5 to three times more profitable than building up oil production. If depth of refining rises from 63 percent to 75-77 percent then we will be able to save 38 million to 40 million metric tons annually. We need 13 billion rubles (R) of investment (in 1990 prices) to solve this task. Not to mention the extreme wear on fixed capital, on our dependence on the West for spare parts, and many other unresolved problems. Where can this be found? In our opinion, not from the state budget.

Setting up joint-stock companies in the sector and creating oil companies engaged both in oil recovery and refining—these constitute the highway for developing the oil industry. And we already have experience of this kind in the sector.

Late in 1991 the Sibir-Germes-Don Joint-Stock Company was set with startup capital of R20 million. The nominal value of a share was only R1,000. The founders of company were the Megionneftegaz and Langepasneftegaz Association companies, the Zapolyarnyft Oil and Gas Recovery Administration, the Germes Scientific and Technical Center, the Germes Trading House, the diversified Oksilent Company from Novocherkassk, the Aksay Agro-industrial Complex, which unites 70 kolkhozes and sovkhozes in the south of Russia, the Langepasbank Commercial Bank, and two oil bases in the south (from Rostov Oblast and Krasnodar Kray). The activities in which the company engages include investment in oil recovery, production, and refining (primarily in Tyumen Oblast), investment in agricultural production and processing in the south of Russia, the creation of a distribution network for oil-and-lubricant materials (including its own gas pumps in the south of Russia), and a trade distribution network for foodstuffs (including its own stores) in the north of Tyumen Oblast. The task has been set of forming a highly profitable system to produce and process agricultural output and deliver it to the consumer with minimum losses. On the other hand, the Sibir-Germes-Don joint-stock company has set as its goal the shaping of a modern market for oil-and-lubricant materials. Two main sectors, or, more accurately, two complexes (fuel-and-energy and agro-industrial) have joined together, and they are precisely the ones that can act as a double locomotive to pull along the rest of the economy.

Already today gasoline is going to the south and products to the north. The important thing is that the results of these changing production relations can be seen almost immediately. It is not a task of fundamental and rapid reform of the two complexes. Specialist decisions have been made and are being implemented by the joint-stock company. In short, the oil producers are already creating a diversified company that extends beyond the oil complex. Meanwhile, the oil workers were engaged in agriculture even earlier, but this has developed into quite different forms. The managers of production associations have been directly involved in management of agricultural production rather than via the common interests that stem objectively from the shareholders in one company, and the oil workers, and the people in agriculture. Traditionally agro-industrial projects have been created by the "oil generals" in such a way that they are convenient to manage. In the north of Tyumen Oblast meat and dairy farms have been operating along with production facilities that produce and process meat and milk. One of the associations has moved 500 head of cattle from the north to the south of the oblast for fattening. Each year another has been sending 300 men to the southern rayons for the haymaking, and the hay

has been delivered to the north by barge. The only thing is that they have tried to avoid mentioning the prime cost of the milk at the farms. And that is a pity.

All the shareholders of the Sibir-Germes-Don joint-stock company have common interests, and this sharply weakens, and in the long term will reduce, the sharp contradictions between enterprises in different sectors.

In our opinion it is precisely along this road that we can and should set up joint-stock oil companies operating "as a convoy" for the end consumer. The financial and organizational gap between oil production and the entire technological chain is no longer permissible. World practice also shows this.

It is necessary to form oil companies that would include oil-recovery enterprises, refining enterprises, and transport and trade-distribution enterprises. Creation of these kinds of companies will make it possible to re-orient industry away from its primary attention on production and export of oil products. Here, these kinds of companies could offer some part of their refining capacities for radical modernization, which they really need. And all of this could be done through the formation of joint-stock companies.

Oil Extraction Industry Changes Viewed

924A0927A Moscow *EKONOMIKA I ZHIZN*
in Russian No 13, Mar 92 p 8

[Article by A. Terebenin, an expert with the Reyting economic information agency: "Russian Oil: Changes Are Inevitable"]

[Text] A steady trend is being observed in the Russian commodity market toward a greater proportion of shares offered for industrial enterprises. As the government program for privatization proceeds, the number of bodies issuing shares, and hence the number of shares of the corporations, will grow continuously. Analysis of the shares already floated indicates that there is greater interest on the part of investors in securities for corporations dealing with raw materials.

In this connection the Reyting economic information agency has started to prepare analytical surveys of the situation in the raw materials sectors of the Russian economy, with the emphasis on the prospects for privatization and the activities of open joint-stock companies.

We present below a brief survey of the oil extraction industry.

The Position and the Development Prospects

At this time the situation is quite complicated in all sectors of the oil complex. During the 1970's and 1980's stability in the recovery and refining of oil was ensured by massive centralized capital investments, with price support for the low level of purchase prices. In the mid-1980's more than 40 percent of capital investments in industry and about 25 percent of imports of the means

of production went to the fuel-and-energy complex. The proportion of imports to cover the needs for equipment at enterprises in the refining industry was 60 percent in 1989, and the figure was about 30 percent for petroleum machine building.

The freezing of investment programs and the sharp curtailment of imports since the late 1980's has been covered by the usual extensive path in the development of the oil complex through new drilling and bringing additional refining capacities on line. Taking into account the high concentration of production in the sectors that "service" the oil complex, disruption of the economic links resulting from the collapse of the Union has in fact cut off the oil people from many of their traditional suppliers of equipment within the country. The subsequent slowdown in the rates of renewal of fixed capital has led to a situation in which at this time some 70 percent of equipment in the oil recovery industry is worn out, while the figure for the refining industry is almost 90 percent.

With the elimination of the USSR Ministry of the Oil and Gas Industry, the extraction enterprises must in fact ensure recovery independently. It is not possible to restore a centralized system of material-technical supply within the framework of the Rosneftegaz Corporation or the Ministry of Fuel and Energy. It is being recommended that associations independently enter into contracts with the plants that produce equipment to recover oil, and with transport enterprises and refineries, or resort to the services of the exchange.

Support for government purchase prices for oil and petroleum products at an artificially low level under conditions of runaway increases in market prices for equipment and materials, and the increases of rent payments many times over, have placed the extracting associations in a difficult financial position. At the beginning of March this year the prime cost of recovery was fluctuating between 600 and 1,800 rubles [R] per tonne (while the state price was R350 per tonne). The cost index for enterprises in the sector rose by a factor of 10 to 15 compared to December 1991. The oil-recovery associations have informed the sector leadership that during the second quarter of 1992 they will probably be forced to halt drilling because of lack of equipment and the disbandment of the drilling crews. The difficulties of the oil field workers are being made worse by the fact that because of their own financial disorders the refineries are increasingly refusing to pay for oil delivered, even at state prices.

The effect of all these factors has led to a slump in oil recovery. During the period 1988-1991 oil recovery declined 17 percent. According to the predictions of the Rosneftegaz, in 1992 the level for Russia will not exceed 400 million metric tons, that is, 20 percent lower than in 1991. The exceptional capital intensiveness of the oil recovery industry is causing inertia in the processes taking place there. According to calculations done by the Total Company, in order to restore the 1988 level of

recovery in Russia it would need investment on the order of \$30 billion for two consecutive years.

It is impossible to evaluate the declining trend in oil recovery without tying in the predictions for domestic demand for petroleum products and the prospects for oil exports. Any economic forecast is built on the problem of pricing. The inevitable liberalization of prices for oil and petroleum products and their "readjustment" to export prices may occur in two ways. The evolutionary way suggests a gradual curtailment of the sphere in which fixed prices are used, lifting export restrictions, smoothing the price disproportions in the oil complex, and implementation of a large-scale program to save energy. The "shock" way is instantaneous release of the rubles per metric tons. However, a whole series of the proposals forming the basis for these predictions seem unsound to us:

1. The critics are unconstrained in their orientation on accounts at today's exchange prices, which can in no way be considered representative (an insignificant volume of sales, with 80 percent of the oil recovered being sold at the state price).

2. The excessively rigid currency exchange rate tied to the export price (\$120 to \$125 per metric ton) gives cause for doubt. It seems that in regulating export policy the government is trying to preserve the difference between domestic and external prices.

3. The predictions suggest no change in the size of effective demand for refinery products. However, following the logic of those who support the "shock" scenario, it can be suggested that demand will fall because of the ravages in entire sectors of domestic industry, which is traditionally energy-intensive (more than 55 percent of energy is used in industry). In particular, government experts are predicting that during the next two or three years ferrous metallurgy output will decline 40 percent. Without going into the details of our calculations here, we note only that, according to our predictions, the minimum possible demand to ensure the viability of the economy is something on the order of 300 million metric tons per year (for comparison, in 1990 some 450 million metric tons were refined). This figure is comparable with the prediction of the Russian Academy of Sciences commission set up to study production forces and natural resources that during 1992-1993 demand for oil in Russia will decline to 220 million metric tons annually.

Thus it can be suggested that the price for oil over the long term, more or less, will not deviate much from the amount that covers production costs and provides the oil recovery enterprises with an average profitability level (in the prices prevailing in mid-March this was about R2,000 per metric ton). At the same time there can be no doubt that the oil field workers and the refinery people will, after fixed prices have been abolished, be asking consumers for considerably larger sums, and it will take a certain time to deal with speculative dealing.

Karachaganak Oil, Gas Deposit Highlighted

92440848B Moscow GAZOVAYA

PROMYSHLENNOST in Russian No 11, Nov 91 p 12

[Article by N. T. Klimov, of Orenburggazprom, entitled: "Recovery Data Analysis for the Karachaganak Oil and Gas Condensate Field"]

UDC 622.279.5

[Text] A number of problems can be detected in the development of the Karachaganak oil and gas condensate field (KNGKM), which need to be solved jointly by design, scientific research, and development organizations.

The system for maintaining reservoir pressure. This problem results from the need to maintain continuous reservoir pressure at a level which results in the most complete extraction of liquid hydrocarbons from the reservoir, which might be lost if the reservoir pressure drops lower than the condensation point. To this end a decision has been made and a system is being developed for maintaining reservoir pressure by the return of cleaned gas to the reservoir (cycling process). The scheme for accomplishing this is the following. The produced gas and condensate, after separation at the UKPG [local processing station], is sent to the plant, where the gas, after drying and hydrogen sulfide scrubbing, must be transported to the field and by means of compressors is pumped through an injection well back into the reservoir. The drawback to this scheme is the round-trip transport flow at great distances.

The preparation of gas, condensate, and oil for transport and further processing. To solve this problem it is essential to fulfill the requirements of processing enterprises on the quality of delivered gas. The difficulties in fulfilling the requirements consist of four aspects.

The *first* is the continuous increase in value of the gas condensate factor with increasing depth of the wells. Because of this, difficulties will arise in ensuring that the quality of the gas flow from the UKPG meets technical specifications.

The *second* is directly dependent on the first. Its essence consists of the fact that during movement of the gas along the 150 km pipeline a change in thermodynamic conditions occurs, resulting in the precipitation of condensate from the gas within the pipe space, in a quantity four times greater than stipulated by the technical specifications.

The *third* aspect—the presence of up to four percent paraffins in the gas condensate—considerably complicates the operations of the NTS [not further identified].

The *fourth* is the difficulties which arise during transport of condensate. To solve this problem a scheme for degassing condensate has been carried out with subsequent injection into a condensate pipeline. Work is

continuing on the search for the optimum alternative methods for treatment of the raw condensate for subsequent transport.

Carbon dioxide and hydrogen sulfide corrosion. The presence of the aggressive components H_2S and CO_2 in Karachaganak gas predetermined the physical design of the oil field equipment. Nevertheless there is flaking of the metal along the interior surfaces of equipment, where the characteristic features of exposure to aggressive agents are most manifest. Therefore it is essential to conduct scientific research towards developing new comprehensive inhibitors of corrosion, paraffin deposits, and hydrate formation which would be more efficient and could more effectively protect metal in all internal spaces of oil field equipment.

Ensuring safety along the transportation system corridors. The development of safety measures for the operation of gas condensate pipelines is being carried out along two lines.

The first is the creation of an automated system of igniting accidental gas releases, ensuring an instantaneous ignition of the gaseous medium in a pipeline rupture.

The second is the development of methods for automatic signalling about the appearance of gas or condensate leaks and distribution of information on their locations along the pipeline.

Thus to solve the development problems of the KNGKM it is necessary to develop and create an ecologically clean transport and industrial complex. The development of a method of drying and cleaning the gas of sulfur compounds merits the greatest interest. The essence of this method is the following:

During implementation of the cycling process, the existing UKPGs will be updated with equipment for removing hydrogen sulfide and with compressors, and by using cryogenic technology they will produce a mixture of liquid hydrocarbons and concentrated hydrogen sulfide at a pressure of 0.6 megapascals.

The gas produced at the updated UKPGs, dry and cleaned of hydrogen sulfide and free of CO_2 , is injected into the reservoir, bypassing the Orenburg gas processing plant.

The gas condensate is subjected to diethanization and hydrogen sulfide scrubbing and is transported to the Orenburg plant as a mixture of C_3 .

On completion of the counter injection process, the UKPG is supplemented by equipment, the use of which (it is already installed) will result in the complete processing of gas, producing methane, ethane, compressed gas, CO_2 concentrate, and dry hydrogen sulfide.

The dry gaseous hydrogen sulfide is transported from individual UKPGs to a central unit for processing the hydrogen sulfide into sulfur. In the objective selection of

the optimal development for an oil and gas condensate field an exhaustive search of options is necessary, including ones connected with development of new equipment.

With the stage-by-stage construction of the KNGKM with injection of cleaned gas into the reservoir, and with the expansion of injection volumes with the creation of the Ural oil and gas processing plant, the closing (for exhaustion) operation predetermines the advisability of developing a flexible gas processing technology, which requires minimal work for updating during the transition from one stage to another and which allows the possibility of applying different strategies of field development.

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Astrakhan Gas Condensate Deposit Viewed

924A0848A Moscow GAZOVAYA

PROMYSHLENNOST in Russian No 11, Nov 91
p 10-11

[Article by A. F. Ilin, Astrakhangazprom, entitled "Astrakhan Gas Condensate Field: State and Problems in Development"]

UDC 622.279.5

[Text] The problems at the Astrakhan gas condensate field encompass all the principal stages and directions in its development: the construction of development wells, monitoring their production capabilities and changes in the produced hydrocarbons, monitoring the energy characteristics of the deposit, depletion of reserves, and component recovery, conserving the mineral resources and the environment.

The main problems in well construction are choosing the optimal well design and high-quality completion with casing and flow tubing, guaranteeing reliable isolation of briny oil and gas bearing horizons in Kungur formations with productive accumulations, and the overlying Mesozoic continental complex with incompatible drilling conditions.

The principal difficulties here are caused by the complexity of the geologic structure and are explained by the lack of:

- reliable prediction of the depth, formation pressure, and expected flow rates of brine bearing horizons in the Kungur salt section, in which the abnormality coefficient for formation pressure reaches 2.2;
- prediction of FES [not further identified] and magnitude of formation pressure in continental sulfate formations in the base of the hydrochemical section of the Kungur (Filippovskiy horizon), where the anomaly coefficient for formation pressure ranges from 1.6 to 2.05;

—corrosion-resistant, nonshrinking, expansive, increased density ($2.0\text{--}2.5\text{ g/cm}^3$) plugging materials for making slurries for cementing flow strings.

One of the difficult problems is the operation of low-yielding wells with a deteriorated FES of the surrounding reservoir rocks. At these wells a complete recovery of fluid is not achieved, and the presence in the hole of the fluid column makes it impossible to control the well using wellhead parameters. Yields of 120-300 thousand cubic meters per day were achieved at differential pressures of 22-28 MPa [megapascals], which led to the formation of local depression cones and a reduction of formation pressure in several cases to 55 MPa (from an initial 61 MPa) and a rapid decrease of working wellhead pressures down to 20 MPa after a year of operation. To improve the filtration characteristics of the near zone in such sections, massive acidizing treatments are periodically carried out with injection parameters close to hydraulic rupture of the formation. Such operations make it possible to reduce operating depressions by 25-50 percent over the initial ones and to slow the rate of growth of depression cones and the rate of decrease of wellhead and bottom-hole pressures.

Instances of sharp reduction in productivity at medium-producing wells are noted when the bottom-hole pressure is lower than 38 MPa. At the same time the content of heavy hydrocarbons in the recovered mixture is reduced.

These phenomena introduce distortion in the determination of the true condensate content and complicate its monitoring during commercial testing.

For this reason, test wells are chosen to monitor the change in composition of the recovered hydrocarbons during commercial testing. These wells are chosen to characterize different sections of the reservoir and have operating conditions which give the least error in determining composition. Gas condensate tests are conducted using a monitoring separator installed in the UPPG [preliminary processing plant]. The mixture from the formation, after expansion and warming at the wellhead, is transported to the UPPG in two-phase state along lines from 0.5 to 4 km long, which significantly affects the irregular inflow of the saturated condensate into the separator. Since the estimate of the composition of the recovered mixture is made by summation of liquid and gas flows, the irregularity of inflow of liquid into the separator introduces a fundamental error in the determination of the fraction of acid components and heavy hydrocarbons, and creates special difficulties in determining the precipitation conditions for hydrocarbons in the formation.

The average composition of the formation mixture is determined for groups of wells, a field, and the part of the field being developed, using research data from test wells. At the same time large-scale gas condensate studies are being conducted quarterly for large flows at the intake separation unit U-171 at AGPZ [Astrakhan gas

processing plant]. Experience has shown that the quantitative and qualitative characteristics of the recovered hydrocarbons gotten from well testing results corresponds to the data from U-171.

Within the set of problems in field development, the question of monitoring the depletion of reserves is important. Estimation of the size of recoverable reserves was made with wells on the basis of how the magnitude of current formation pressure varies with withdrawal. On January 1, 1991, the estimated size of recoverable reserves came to 490.4 billion cubic meters at an average reservoir pressure in produced sections of 56.4 MPa and a percent withdrawal of 2.23. The estimated recoverable reserves were double the size of the reserves in the drilled-out section.

In calculating the average radius of drainage, all gas-saturated formations drilled into by wells were used. At the field it did not seem possible (due to the lack of the necessary geophysical apparatus for a highly corrosive medium and harsh temperature and pressure conditions) to take profiles of the inflow in operating wells, and to determine the degree of utilization of a productive section. Due to this, with the presence at AGKM [Astrakhan gas condensate field] of low permeability and nonuniform reservoir rocks, and considering their deformation, the estimates of drainage coverage of the accumulation are doubtful.

The complexities of GIS [geophysical investigation of boreholes] monitoring of the gas-producing intervals are also caused by the design of the wells, in the overwhelming majority of which the lift tubing is lowered to the bottom of the perforations, or as close as possible the bottom of the wells, which are completed as open holes. This design is necessitated by the formation of sludge plugs at the well bottoms and an artificial shutoff of the lower intervals of the productive section. And the field geophysical service GIS-monitoring does not guarantee the isolation of gas-producing intervals during work with lift tubing.

The main tasks in the process of developing a field are pinning down the operating conditions of the reservoir, analyzing the water-bearing basin, and predicting water encroachment in wells. Individual surveys of water-bearing horizons done only in the GVK [gas-water contact] zone from exploratory well data, the lack of complete data on formation water composition, its gas saturation and dissolved gas elasticity and their composition, cannot today give the needed prediction of the dynamic characteristics of a water drive system. To study the activity of a water-bearing basin and evaluate its potential it is advisable to drill 3-4 wells in a field down to a depth of 5.5 km, penetrating and analyzing the entire carboniferous section.

One of the complicated problems for the Astrakhan field is the problem of protection of mineral resources and the environment, which has arisen due to the appearance of

casing-tubing annular pressures and flows in the development wells upon completion and in operation. Out of 102 wells in the operating base, annular pressures and flows have been recorded in 25, including 10 wells with a show of oil and gas (without H_2S).

In the opinion of the majority of researchers the annular pressures of 2 to 33 MPa result from the presence in open sections of wells of: thick salt blocks, which cause compression of the casing strings; and in these blocks, brine-bearing lithic horizons with an abnormally high formation pressure ($K_{\text{f}} = 1.8/2.2$) and the sulfate-carbonate-continental formations of the oil-saturated Filippovskiy horizon with a formation pressure reaching 69 MPa.

The three-year study of the reasons for the occurrence of annular pressures showed a lack of direct connection between the pressure in the annular (7 X 9") space and the state of the bottom-hole pressure. Remaining unchanged was the tendency for momentary pressure drops to zero upon opening the annular space, and for sharp decrease in pressure (often to zero) in shut-in periods during a significant increase in bottom-hole pressure. The discharge of liquid from the annular space is minimal (first liters or tens of liters) with a subsequent dripping discharge.

At the given stage of research these phenomena are explained by the wellhead and borehole temperature, which is significantly lowered during well shut-in.

Shows of oil and gas at the wellhead are explained by two possible reasons:

- the "capture" of oil and gas from a productive or Filippovskiy horizon in the cementing process during a decrease in slurry density. In this case, after a series of releases the annular pressure drops right down to zero and during well shut-in a decline in annular pressure (six wells) is observed as well (often down to zero);
- gas and oil entering from the Filippovskiy formations. The criterion for such wells is the restoration of annular pressure to its initial value after a lengthy series of releases (four wells).

The latter case is a special cause for concern due to the low quality of well construction. The possibilities of monitoring annular crossflows to find and pin-point the sources of shows are limited to geophysical methods, due to the multi-string well design.

Temperature measurements in gas wells are not very effective due to the disturbances associated with an unsteady thermal regime, diffusion exchange processes, and the thermal properties of rocks. Neutron methods, which record the hydrogen content in the space outside of the casing, are not very effective because of the multi-string design and the low sensitivity of instruments of the pulsed neutron generator type, as well as the insignificant volume of escaping fluids, which practically

stops after the release of annular pressure and lengthy observations with open annular space (more than 45 days).

Connected with this arises the problem of monitoring possible production-related accumulations in the continental complex above the salt. For these purposes construction has begun on wells of a special observation type with a simplified design, which makes it possible to conduct observations on the continental deposits using existing geophysical field methods in areas of possible production-related accumulations.

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Nuclear Power, Energy Crisis Examined

924A0925A Moscow IZVESTIYA in Russian 7 Apr 92
Morning Edition p 2

[Article by Otto Latsis: "The Energy Crisis Has Already Begun: The Accident at the Leningrad Nuclear Power Station Has Once Again Reminded Us of This"]

[Text] I had left Sosnovyy Bor only five hours before the incident that again "brought it fame." The accident at the Leningrad nuclear power station [AES] with the reactor installation again reminded us that the RBMK reactor (the "Chernobyl" type) is in principle more dangerous than the VVER reactors. Again the demands to close it down have been revived.

It is easy to say "close it down." The only thing is that each of the four reactors at the Leningrad AES generates a million kilowatts. Half of the region's energy. The real truth of these kinds of "easy" decisions is understood in places where they have experienced energy hunger for themselves. But the country cannot get past the Chernobyl syndrome, and this is understandable: Close everything and build nothing! Sooner or later the memory of the tragedy becomes a demand to improve the reliability of AES's, but not to abandon nuclear power engineering. The question is just whether a clear understanding of the problem will come in time, or, as is usual with us, too late. In time means before the beginning of the energy crisis, when only experts will be predicting a future catastrophe. Late means when the batteries run out in homes and each inhabitant realizes the problem. Strictly speaking, in time will not happen; the energy crisis has already begun; it is just that it has not developed to its full strength. Here and there a city freezes, gas pumps are empty, aircraft are grounded, warships stay at their moorings at the bases, the cost of heating goes up. These are the signals that not even the blind could fail to see.

Consider: from the time a decision is made to build a new series of nuclear power units until such-and-such capacity is brought on line is about 15 years. And there is no doubt that there is a need to develop a new generation of AES's with a sharply higher level of reliability. In a paradoxical way the accident at the Leningrad AES will serve as additional confirmation of the need to build new-generation AES's. To "simply" shut down the Leningrad AES and to build nothing in its place would mean essentially to shut down St. Petersburg

and return its power engineering to siege conditions. The existing units at the Leningrad AES can be withdrawn as replacement energy capacities are brought on line. These capacities cannot be hydropower—there are no powerful mountain rivers in the locality. It is extremely difficult to build thermal capacities because there is no fuel and the new burden on the atmospheric air would be intolerable. But the opportunities for building an AES right there at Sosnovy Bor are unique. There is a suitable site within the boundaries of the 30-kilometer zone around the Leningrad AES. There is the powerful construction organization that built the Leningrad AES. There is electric power and heat. There are a number of industries in the great city that constitute a unique combination of plants in the country able to provide almost everything needed for an AES: Izhor, Metallicheskiy, Elektrosila, the Aurora Scientific-Production Association—these are the reactor, the turbine, the generator, the control system. And there are designers here—the St. Petersburg Atomenergoprojekt Institute.

Finally, the most important argument—one of the major secrets of our past life: the Scientific Research Technological Institute (NITI). Little was known of the secrets of NITI even within the next main administrations of the top secret ministry. I asked a friend, a native of Leningrad, who has been to the Leningrad AES and knows by heart the entire history of the disputes about it, how many reactors there are in Sosnovy Bor. "Four," he replied immediately. True, there are four reactors at the Leningrad AES. But there are seven reactors at Sosnovy Bor. The NITI at Sosnovy Bor near St. Petersburg has taken part in the development of more reactors than could be installed at all our AES's. But it had nothing to do with the AES's.

NITI's specialty is reactors for nuclear-powered submarines. Today it is being stifled for lack of work. This is a great misfortune for NITI. But in the future it may be a great stroke of luck for our domestic power engineering.

In order to believe this we must imagine the great gap that exists between the defense industry and civilian industry, even if that industry is the nuclear industry. "Everything for the front"—this is the slogan that has survived for almost 50 years since the war, now transformed from a sacred slogan into a diabolical one. The "peaceful atom" never needed the kinds of resources for developing reactors that were allocated to those developing reactors for submarines. We economized with the "peaceful atom"; the proof of this is the RBMK series, rejected by other countries. They are less expensive than the VVER's, and the price of this cheapness was Chernobyl.

The distortion caused by defense in the economy and in our very consciousness is the main reason for the fact that we developed hellish forces that we could not control. But the very rich resources that were ultimately stockpiled in "defense" can help us to remove this distortion.

In order to assess the value of these resources all NITI has to do is exhibit a test stand. There on the building slip is the reactor compartment of a submarine. Not a mockup, not a smaller model, but a real nuclear reactor. The building slip can be rotated to imitate any degree of list that a submarine may experience. The reactor operates under all the changing regimes that may occur during the course of actual operation at sea. Those who developed the AES's did not have these kinds of conditions for checking reliability. A new test stand is now being built at Sosnovy Bor. At present there are only two such test stands in the world, in France and Japan. The importance of the test stand is that at an operating unit it is possible to check only the normal operation of the station, but on the test stand any accident can also be tested.

Neither did the AES have a simulator for training personnel and reproducing the reactor control system. Imagine what such a simulator is like: The Rovenskaya AES ordered such a one from the Hungarians, paid \$8 million for it. The Leningrad AES is negotiating with the Americans; they are asking \$12 million. NITI not only has its own training simulator for submarines but is also prepared to produce them for AES's. Some \$2 million are paid, incidentally, for imported materials, but the rest is paid for in rubles.

Why such a long story about NITI? No, the institute is not offering submarine reactors for the "peaceful atom." What NITI is offering is its experience in developing reactors having a higher level of safety, and its unique equipment. It is offering, along with Atomenergoprojekt, a technical-economic specification for a new generation VVER. It is offering its services in researching, refining, and "putting the final touches" on the first unit of the series, and to this end it is very desirable that it be built at Sosnovy Bor.

It is a question of developing a unit for an AES based on safer automatic control assemblies already tested in practice by the submarine fleet. A double containment structure is being suggested for the containment building, designed to withstand the maximum overpressure that may occur in the event of rupture of the main coolant system. Beneath the inner sealed shell there will be a large reserve of water. In the event of a very serious accident the penetration of this water will guarantee that the active zone is cooled without intervention by personnel, even if all the safety mechanisms fail. The building can be built on domestic-produced seismic shock absorbers so that during an earthquake they will reduce the load by a factor of 30.

And Sosnovy Bor offers one more thing, or rather, not so much NITI as the city soviet: an international competition for designers, with an international jury. The jurors have already gathered once, and the competition will be held in the near future in St. Petersburg. There is to be a competition and an objective evaluation of reliability not by Soviet experts alone.

All these pyrotechnics of brilliant ideas and prospects serve only to underscore the tragic nature of the situation: At present there is no chance that the plan can be realized. NITI, which one-fifth the personnel have already left, will perish; an office cleaner at the Lenin-grad AES is paid more than a scientific associate at an institute that has no orders. The giants of St. Petersburg's industry that are capable of building the reactors are falling into decay, and the country's power engineering is choking. The plan for a series of nuclear power stations requires decisions on costs that will run into many billions of rubles. No private company is prepared to do this, even if it did have the money: It is difficult for a private company to move into a business where investments will be recouped only after 15 years. And the Russian state, which in a few years, it is hoped, will be able to make major investments, is today simply unable even to plan for them.

Here it is not merely a question of NITI or even of power engineering. I hope that during the course of the great shakeup of the 1980's and 1990's much of what is outworn and hampers us in living will fall away like an old husk. But in society today there are complex structures that do not tolerate the shakeup well, but they are essential and must be preserved at any price. Our system of education, our science, our space program, our libraries and museums, nature itself—all these things must be guarded against destruction.

To make a fuss and demand money for all these things from the budget means to ruin the business because when a budget tries to pay for everything it pays for nothing, and we have already been through that. It is necessary to find new opportunities; they are always there somewhere. In particular, returning to the concerns of those developing the new generation AES's, we note that the billions are not needed for this project immediately. During the first two or three years it is a question of tens and hundreds of millions. It is difficult to take even such sums from the Russian budget, and this year—the first for decades—the budget itself could not be adopted. But if it is impossible to cover the costs from one source, it is necessary to try to cover them from many sources. The St. Petersburg nuclear workers are debating, still diffidently, unfortunately, the idea of a Baltic energy corporation. It could include shareholders from Russia, the St. Petersburg City Soviet, the Lenin-grad Oblast Soviet, the Sosnovyy Bor City Soviet, and major enterprises in the northwest region. A solid corporation would obviously be able to turn to its European neighbors for help.

For a long time we had a clumsy economic system that affected many aspects of life. But this does not mean that everything we have is worthless or that we are unable to do anything worthwhile from different beginnings, as they now say. With respect to our industry and science this is simply not true. It has many more opportunities than is sometimes thought.

Low Safety Standards Blamed for Miners' Death

924A0964A Moscow TRUD in Russian 15 Apr 92 p 1

[Article by Yu. Kotlyarov, Kemerovo: "People Are Dying. For Coal"]

[Text] Last Saturday before the beginning of the morning session on R. Khasbulatov's proposal Russia's Congress of People's Deputies honored with 1 minute of silence the memory of four miners in the city of Prokopyevsk in the Kuznetsk Coal Basin who died the day before.

Unfortunately, during the first days of April the number of such tragedies at coal enterprises in the Kuznetsk Coal Basin doubled. For example, at the Mine imeni 7 Noyabrya in Leninsk-Kuznetsk on April 6 the timbering of a mine working collapsed, one worker died, and two were injured. On [April] 9 at "Bungurskaya" in Novokuznetsk a cleared face worker died and at "Zakladnaya" in Belov, a blaster foreman of the mine construction administration. Finally, April 10 proved to be the most tragic: On this day four people died in Prokopyevsk and at the Open Pit imeni 50-Letiya Oktyabrya worker Zakharov was mortally struck by electric current.

The state of labor protection and safety techniques at mines arouses increasing alarm. An unpunished breach of technological and production discipline (this is becoming a daily phenomenon) leads not only to a reduction in coal output, but, most importantly, to a threatening increase in occupational injuries, including with a fatal outcome. Whereas during the first quarter of last year at coal enterprises of the Kuznetsk Coal Basin 12 people died, now, 23, and during the first 10 days of April, nine more. Competent commissions carefully investigate every tragic accident and make detailed recommendations to prevent their repetition. Recently, however, both mines, which have gained independence, and upper management echelons have been listening less and less to the conclusions of the mine inspection. But people continue to die...

Chairman on Farmstead Development Problems

924A0964B Moscow SELSKAYA ZHIZN in Russian 15 Apr 92 p 3

[Speech by V. A. Agafonov, chairman of the Committee on Social Development of Rural Areas, Agrarian Problems, and Food of the Supreme Soviet of the Russian Federation at the Sixth Congress of People's Deputies: "Everyone Understands That It Is No Longer Possible To Have Such an Attitude Toward Rural Areas. But This Is Not Enough..."]

[Text] Esteemed people's deputies, esteemed presidium! More than 1 and 1/2 years have passed since the adoption by the Second Extraordinary Congress of People's Deputies of legislative acts, which have opened up the way for the implementation of major transformations in rural areas and have initiated agrarian reforms.

I consider it necessary to remind the esteemed congress that we are returning for the fourth time to the examination of agrarian reforms and to the fulfillment of decisions adopted on this extremely important matter. It can be stated unequivocally that, if the decision of the Second Extraordinary Congress of People's Deputies and the decisions adopted in the course of subsequent examinations, as well as the promises given to us by esteemed President Boris Nikolayevich Yeltsin and the government, [had been fulfilled], the moral situation in rural areas and the state of affairs in rural areas would have been different.

The inconsistency of the policy, decline in financial and economic support for the agro-industrial complex, and contradictoriness of the president's many ukases and government decrees with respect to the adopted laws and decisions of congresses of people's deputies on agrarian problems extremely have complicated the situation in rural areas and on Russia's food market.

I do not criticize the president, since I deeply respect Boris Nikolayevich. But, Boris Nikolayevich, I think that you should know that both the former government and, especially, the government of the present composition have ignored the decisions of the Second Congress of People's Deputies and the measures determined by it for the revival of Russian rural areas, at the outset of which you were during the period of preparation for the Second Extraordinary Congress.

Boris Nikolayevich, in practice nothing has been done about the 12 government decrees adopted in 1991 as the mechanism for the realization of decisions of congresses and decrees on agrarian reform. The budget funds used for the development of the social sphere and the material and technical base of the agro-industrial complex in 1991 made up 3.5 percent of the national income, but some mention 7.5. Let it be so, I will not argue. However, this is not the 15 percent provided for by the decisions of the Second Congress. The decision on the parity of prices of industrial and agricultural products and on compensating agriculture for expenditures in connection with the increase in wholesale prices of material and technical resources and in rates of services and building materials has remained unfulfilled. To this day the government has not paid off the debts to rural commodity producers for products sold last year and by 1990 checks. Today, esteemed deputies, you have heard a statement that there are no particular hopes that these debts will be paid off during the current year. The program for social and cultural construction, installation of gas facilities and telephones in rural areas, and electrification and water supply for rural areas has been disrupted. I think that 5 percent of the fulfillment of the plan for the installation of telephones in rural areas in itself indicates our approach to this problem. Deliveries of equipment, fuel, and mineral fertilizers have decreased. Such an attitude toward agriculture also continues during the current year. The draft budget for 1992 submitted by the government provides for the allocation of investments at the rate of only 40 percent of what was the case in 1991. Can

measures providing in the draft budget for centralized investments for the construction of facilities of the agro-industrial complex in the amount of 18.1 billion rubles in last year's prices be really considered serious on the part of the government? However, esteemed colleagues, divide this by the price rise coefficient of 15 and you will receive the figure of state support that has been discussed from this rostrum in the government report today. The unbalance in the economy and disruption of economic ties among regions and enterprises have led to a further sharp decline in output, which has significantly complicated the situation with the provision of material and technical resources for Russia's agro-industrial complex. I must inform the congress that the quotas allocated for 1992 are smaller than the estimated need and actual deliveries of 1991. As a result, this year the volume of capital investments will decrease to one-third and of construction and installation work, to one-fourth. In turn, prices of resources have increased dozens of times as compared with last year. In addition, the interest on bank credit and the added-value tax are high. All this has paralyzed the financial activity in the APK and has placed even previously profitable farms on the verge of bankruptcy. Financial support for peasant and private farms is not ensured. Only 6,000 rubles of credits with an annual interest rate of 25 percent per farmer were allocated last year. They are unable to manage a farm and it is no accident that hundreds of farmers are forced to return land.

I must inform this congress that the attempts to implement land reform, the reorganization of agriculture, and the establishment of new structures of rural commodity producers without serious state support and without the establishment of the necessary infrastructure for daily life in rural areas once again are another deception of our people and peasantry.

According to existing calculations, the volume of gross agricultural output during the current year, as compared with last year, has decreased significantly.

If to believe the presented calculations, a difficult grain balance is also expected this year. I am asking a question: Does the government know about this very alarming forecast today? If it knows and has information about this, then why should it not consider, jointly with managers from republics, krais, and oblasts, urgent measures of financial, material, and other support for our agriculture now, at the height of the especially difficult season of field work? Does anyone really seriously expect to feed our people with Western humanitarian assistance? Today I consider it necessary to also express some opinions on the forms of ownership and forms of management in the agro-industrial complex. I would like to say right away that I and our committee are for a diversity of forms of ownership in rural areas, multiformity of forms of management, and creative and constructive reforms. To be sure, there is no alternative to them. We have many highly efficient, mechanized, and

specialized farms, the indicators of which are not inferior to countries of the West and of America, which are highly developed in agriculture.

A question arises: Then why should they be eradicated today? Who planted this idea in the president's ukases and in government decrees and for what purpose?

At the same time, I state responsibly from this rostrum: We are in favor of a voluntary process of reforming kolkhozes and sovkhozes and for an efficient utilization of world farming experience, which has been formed for decades, but we must not permit its blind copying.

What should be done? In our opinion, evaluating the course of reforms and the actual situation in Russia's agro-industrial complex, agrarian deputies demand from the government the development and adoption for 1992-1995 of a state program for the implementation of agrarian reform in the Russian Federation with its consideration at the Supreme Soviet, which could be envisaged.

First. With due regard for the completion of the first stage in agrarian reform, establishment of funds, and distribution of land it is necessary to amend the course of this reform—forms and methods of its implementation envisaging an optimum correlation of large-, medium-, and small-scale land use with the assignment of land for ownership; use of agricultural producers on the basis of an issue of state legal acts, irrespective of forms of agricultural management; not to permit coercive and campaign-style methods of farm reorganization; to finally grant the peasants and workers of the agro-industrial complex themselves the right to choose the organizational and legal form of management freely and without hindrance.

We, agrarian deputies, support the first steps of our vice-president Aleksandr Vladimirovich Rutskoy in the directions determined for the further advance of agrarian and land reform.

Second. Under the conditions of the food crisis the fact of the reduction in sown areas and in the livestock population, especially in productive breeding stock, gives rise to serious concern. This is evidence of the loss of economic incentives among producers of agricultural products today. It is necessary to carefully weigh this situation and to eliminate price, tax, and credit distortions, which negatively affect the development of agricultural production; to ensure advanced financial support with state subsidies and an increase in the production of agricultural products.

Third. To return to a strict fulfillment of the decision of the Second Extraordinary Congress of People's Deputies, government decrees, and legislative acts connected with the revival of Russian reform. In confirmation of this thesis deputies of all levels and from all regions of Siberia presented similar demands. This is discussed in numerous statements, resolutions, letters, and telegrams, which are received daily by the Supreme Soviet, and I

think that we cannot fail to listen to this. It is urgently necessary to stabilize prices of products of the agro-industrial complex, supplying it with the means of production, primarily agricultural machine building. In the fuel and power complex and processing sectors it is necessary to envisage in the budget system for 1992 funds for compensating rural areas for the rise in the price of fuel and other energy carriers. We believe that it is necessary to exempt investments assigned to the agro-industrial complex from taxation.

Today we also consider it necessary to abolish the added-value tax and the tax on the trade markup on livestock products. We believe that it is time for the government to determine in the state budget the necessary financial support for farming, as well as for the entire social and cultural sphere of the rural dweller, which was determined in the decisions of the Second Extraordinary Congress of People's Deputies. I will not enumerate these directions.

And last. For the purpose of providing peasant farms and the entire agrarian sector with a system of machines for the production and processing of agricultural products, 6 months ago the committee submitted a proposal for the development of agricultural machine building to government structures. To this day, however, there is no reaction to this document. I hope that our proposals expressed at this congress will be supported by people's deputies and, undoubtedly, this will bind the Cabinet of Ministers to have a more responsible and professional attitude toward the implementation of economic reform in rural areas.

Peasants' Union Role Reassessed

924A0905A Moscow SELSKAYA ZHIZN in Russian
3 Apr 92 p 2

[Article by Yu. Baklanov, SELSKAYA ZHIZN correspondent: "What Is the Peasant Union To Be?"]

[Text] "Party" singlemindedness is absolutely contraindicated for a market economy. One of the supporters of a free market, Nobel Prize laureate in economics F. Khayek, warned of the harm of such monopolism for society: "A large group consisting of persons with rather synonymous views will most likely be formulated from the best, and not from the worst members of any society... He who seeks unity of views must descend to the spheres where a lower moral and intellectual level dominates..."

In other words, if the new singlemindedness gives rise to the appointed "leaders," then we will have the same thing as we had before. A successful copying of Western examples of market civilization in Russia is hardly possible, while the obedient administrators will hardly have the brains and talent to skillfully combine domestic traditions with the experience of the West and East. We must hope only for broad public independent action and freedom of enterprise with unconditional guarantees of

social protection, again with consideration for the traditions in the CIS—in the “collaboration of the poor and hungry.”

It is specifically evolutionary independent action which best suits the conservative rural sector. The schemes of revolutionary transformation constructed at the top are perceived by the general mass of peasantry as being necessary primarily to the “leadership.” The charter of the association of peasant farms was being adopted at a meeting in the Tambov kolkhoz (collective farm), “Novyy byt.” Summarizing the heated discussion, the chairman of the newly created association announced from the stage of the House of Culture, adorned with the catchy slogan, “Our goal is communism:” “As of tomorrow, we must have a sense of ownership. This means that you must milk the cows not twice, but three times.” To which they reasonably objected from the audience: “If you also feed them three times, and fix the feed troughs.”

“Do you feel what kind of time is approaching?” the chairman again asked

“We feel,” responded an elderly dairy maid, “that soon we will all get the rebuff.”

Yes, before reforms were at least somehow propagandistically prepared. The art of political mimicry, having permeated all the pores of society, is being manifested in caricature form.

It would be a pity if rural reform proceeds according to the familiar principle of socialist competition. By hastening the process of land division and accelerating the formation of farms by this division, as a result you will obtain a multitude of tragedies and dramas. The author of the journal NEVA, V. Zherikhin, writes: “Small steps... are strategically more expedient than grandiose plans for immediate global reorganization.” And in this he refers to V. S. Rautian's theory of the emergence of innovation, according to which “the increase in newness of choice reduces the stability of the system... The allowed innovation is always slight as compared with the overall volume of memory... If a system tries to overcome this threshold of innovation, it perishes. Creativity occurs only within the framework of one tradition or another.”

Thus, the deadly famine resulting from complete collectivization has a theoretical substantiation. If it were not for common sense and the people's instinct for self-preservation, wide-scale farmerization based on the re-division of land but with no material provision could also result in a deadly famine.

We have no shortage of experts on theoretical effectiveness. Who only does not strive to become an advisor and controller on peasant questions! The capital-based political scientist L. Batkin gives advice from the pages of DEMOKRATICHESKAYA ROSSIYA: “...we must create such economic conditions under which every kolkhoz (collective farm) and sovkhoz (state farm) could

naturally disintegrate.” The advice is clearly late in coming. The consequences of organized disintegration are quite evident in the food stores.

In connection with the elimination of agroindustrial unions and the return to administrative management of agriculture, aside from the legal organs the functions of economic, social and political protection of the village must be assumed by the peasant unions. Their activity will facilitate the implementation of economic reform and is beneficial to the government.

As a result of numerous discussions with Russian people's deputies and leaders of various agrarian formations, one important thought has become crystallized about how to remove the contradiction between the city and the farm. It consists of the fact that specifically the peasant unions or associations must conclude agreements with the representatives of the local administration for the delivery of products to the state. Both sides, as in the USA, must be economically equal in their rights, and both must bear material responsibility for non-fulfillment of the agreements. Contractual relations will help us rid ourselves of intervention in the economy by incompetent leaders and “representatives” who like to “steer” the village.

Economic equal rights is the basis of independence of the Peasant's Union, which the legislative efforts of the parliamentarians simply must ensure within a short time. So that the activity of such associations might have a legal basis and so that there will not be any administrative pressure exerted such as that to which the agrarian's union was subjected in Nizhegorod Oblast. If there are differences of opinion—sit down at the negotiation table.

In order to protect against administrative tyranny and against politicized controllers of the farmer, we must have a well-trained legal service and make much more active use of the capacities of the press, television and radio. This is specifically how the chairman of the republic union of Chuvashiya, A. P. Aydak, strengthens the authority of the agrarians.

In my opinion, we need a small but permanently and actively operating Peasants' Union apparatus which would not manage, but rather express and defend rural interests. Weekly presentations on Central Television by union representatives would make it possible to objectively inform the population of the state of affairs in the agrarian sector and, I am convinced, would help remove the tension which has arisen between the city and the village, and which both “right-wing” and “left-wing” politicians are trying to capitalize upon.

Last year we learned from press reports about the readiness of the farmers to strike in Nizhegorod, Tula, and Perm Oblasts and Krasnoyarsk Kray. But who supported the peasants in those days? No one. Therefore, what they need first of all is professional solidarity, such as that of the miners. In mentioning strikes, I certainly do not want to represent the union as some kind of an opposition

force. On the contrary. The reforms implemented in Russia in the interests of the peasantry, and the active work of the peasants' unions will ensure them support.

This activity should not be limited to economic problems. Over 40 years ago, the leading Russian philosopher Ivan Ilyin wrote that Russia, after many years of tyranny, lawlessness and all manner of depravity, will get up off its knees only when the people restore their honor, conscience and national-state meaning: "It is a poor people which does not see what has been given specifically to it, and therefore goes begging under someone else's window."

The beginning of the Japanese economic miracle, writes the president of the "Sony" company, A. Morita, after Japan's defeat in World War II was laid down by the words of the emperor: "We must endure the unendurable, and wait out the intolerable." Imbued with the all-national idea of rebirth and unified by the peasant principle of the large family which retains great respect for popular traditions and culture, the Japanese made a dramatic breakthrough into the world economy, becoming its undisputed leaders.

The rural "family" relations, carefully preserved in Japan, were transferred to the city, and the "unprecedented degree of self-government," according to the testimony of G. Smith, a researcher at Stanford University in the USA, brought the country an unprecedented level of national wealth and social justice." In our country, the village was spat upon and trampled by ideologists with a lumpen-proletarian consciousness.

A year ago there were still some hopes pinned on the Russian Peasants' Party which was being created. But it turned out that it was incapable of uniting the peasants and bringing together any significant forces of its proponents, becoming bogged down in internal discord. Therefore, the village should not wait for any more clever recipes from the center for arranging its life on fair principles. We must believe in our own common sense, in our own efforts, and in our own leaders. In these troubled times, the peasants' unions must also assume certain party functions, as well as the difficult problems of preserving and rewarding morality and protecting the honor and dignity of the peasantry. In formulating soviets and presidiums, we must once again remember the words of I. Ilyin: "Russia can save itself only by selection of the best people... The participants in people's rule must have independence of will and civic courage!"

Farmers on Machine, Technical Equipment Shortage

924A0923A Moscow SELSKAYA ZHIZN in Russian
3 Apr 92 p 2

[Article by V. Urubkov, candidate of technical sciences and economist: "Machinery and Tractor Station For Farmers: A Look at the Problem"]

[Text] Dmitrovskiy Rayon, Moscow Oblast—It is nice to see that during the past few years the attraction towards the land among our population has grown. For instance, in Dmitrovskiy Rayon, Moscow Oblast, there are currently 67 peasant farms (1,500 hectares of arable land) and 3,400 members of gardening cooperatives that own 273 hectares. A considerable number of collective vegetable gardens—more than 860 hectares—has been allocated. Many city dwellers—Muscovites—are using the land.

The farms and farmsteads, garden collectives, cooperatives, and small enterprises can get a much higher yield of agricultural output. Unfortunately, they are forced to carry out technological operations—planting, sowing, and maintenance—with a considerable delay. As a result, the timing for product realization is lagging, and a considerable part of the output never makes it to the consumer and the market at all—it either perishes at the origination point or is fed to the animals.

Farmers and gardeners, naturally, come for help to kolkhozes, sovkhozes, and other organizations. Unfortunately, administrations of collective and state farms rarely agree to help those in need. Tired of knocking on doors in search of the needed technology, farmers are compelled to bow secretly to the mechanics. The pay is on the spot—either in cash or by bottles of vodka.

One could say that farmers themselves are at fault. Let them buy their own equipment and do business. But, first, the state is unable to make it available to all those who need it. Second, a farmer cannot afford to buy a complete set of needed equipment. Prices on it have reached mind-boggling heights: Prices on tractors went up by a factor of 8 to 28, and on automobiles, 8 to 24; the price of an EO-2621 excavator went from 24,400 rubles [R] to R800,000; the Don combine costs R1 million; the price on the SZ-3, 6A grain seed drill went from R2,188 to R39,064, and on the PLN-4-35 plow, from R300 to R13,440. Prices on other agricultural machinery went up similarly. Also, it should be noted that prices keep changing, and only in the one direction—up. But even if a farmer does purchase the entire slew of the equipment, it will be hard for him to use it effectively because of the low usage during the year and neglect of exploitation recommendations: following the maintenance schedule, and current and capital repairs. Can the state currently fully supply the farmers with the needed lathe and boring machines, welding sets, testing grounds, and fill-up devices?

The negative attitude on the part of the administrations of state and collective farms; the high cost of the equipment, fertilizers, construction materials, as well as other industrial goods; and a complicated procedure of receiving land all put constraints on the process of state and collective farm workers and other employees' shifting to farming.

Where is the solution? I think, it is clear to many people—the creation of specialized machinery and

tractor stations [MTS] or enterprises (by any name) that would fully take upon themselves the entire volume of mechanized works at scientifically-determined optimum cost accounting-based prices or payment in kind by agricultural output (at established norms). They will perform, on a contract basis, the needed technological operations first and foremost for peasant farms and private farms, gardeners, and individual vegetable growers—that is, for all individuals, cooperatives, and small enterprises. For not completing the contract on time, the MTS will be liable for forfeit.

During the meetings with farmers and private owners in Dmitrovskiy Rayon, I heard requests to set up exactly this kind of a unit. The idea is supported by the head of the rayon administration, V.V. Gavrilov, and the leadership of Dmitrovskiy Agro-Industrial Complex, and Dmitrovskiy Association of Peasant (Private) Farms.

My 40 years of experience in agriculture as a tractor and combine driver, MTS mechanic, chief engineer in the interrayon production agricultural administration, as well as in the all-Union scientific-research institutes for rational use of agricultural machinery, transport, and progressive methods of farming allows me with great certainty to arrive at the conclusion that in order to intensify farmers' output, it is necessary to have state or state-cooperative self-supporting machinery and tractor stations that will have a complete range of types, varieties, and brands of agricultural machinery and means of transportation.

The industry currently produces machinery that is not of very high quality. The mechanics have to spend considerable time on testing and fine-tuning new machines. In our opinion, instead of charging full prices for the machinery, the industry should charge 50 percent. Let each machine earn the rest of its value in agricultural production. This will raise the industry's incentive to improve the quality of the machines they produce. And something else. Is it not time for the machinery manufacturers to set up their own network of MTS that will serve agriculture at optimally calculated prices? And the time to set up such machinery and tractor stations is immediately, now.

If Russia's Ministry of Agriculture does not want (or is not able to) allocate money and machinery for this purpose, and the industry does not decide to set up their own MTS to serve agriculture, they can be set up on the basis of repair and technical support enterprises, Agro-Industrial Chemical Production Associations, or other organizations in the agro-industrial complex.

Special attention should be paid to creation of the MTS during the liquidation of unprofitable farms (kolkhozes and sovkhozes). We should not permit barbaric pilfering of agricultural machinery, machine benches, shops, motor pools, warehouses, petroleum storage facilities, and other capital assets.

The farmers and the administration of Dmitrovskiy Rayon, Moscow Oblast decided at their meeting to set up

such an MTS, and petitioned Russian Minister for Agriculture V.N. Khlystun for assistance in this issue.

The analysis of using the machinery and tractor pool in agricultural production has shown that since the MTS's have been liquidated in our country, the useful life of the tractors and the aggregate output of agricultural machinery have been continuously declining. For instance, the useful life of tractors has declined from 18 years under MTS to the current seven years, or by the factor of 2.5. In the MTS, tractors worked as a rule in two shifts, despite their imperfect design. How can one compare, for instance, wheel-based KhTS tractors with steel-spiked wheels, or with a caterpillar-drive NATI with a DT-75M tractor, or with others. The work schedule of all machinery was better organized in the MTS than it is now in sovkhozes and kolkhozes. My personal experience of working as an MTS divisional mechanic confirms that the stations kept things in better order when it came to utilization of agricultural machinery.

A short article does not provide enough space to describe all the advantages of the MTS; still, I would like to emphasize that they are considerable and numerous. The exploitation of equipment in kolkhozes and sovkhozes is currently in a critical condition. Many chief engineers on the farms have been making numerous attempts to separate into independent organizations, but the administration practically does not allow it to happen, the leaders of collective and state farms want to continue to have the equipment and the mechanics at their command. For comparison, let me point out the average useful life of tractors in the United States. It is 30 years. The working condition of the equipment in that country is supported by the state through reduced taxes on the capital assets of old machinery. The trend towards increasing the useful life of agricultural machinery is noticeable in many capitalist countries. In ours, everything has been and still is in reverse—the percentage of machinery written off with the reduced service period is growing. The creation of MTS for the farmer undoubtedly will change this picture.

Pharmaceutical Industry Marketing Problems Reported

92440952A Moscow IZVESTIYA in Russian 13 Apr 92
Morning Edition p 3

[Article by Lidiya Ivchenko: "There Is Medicine, but There Are No Buyers"]

[Text] Here is the paradox: Now that physicians have nothing to treat people with in hospitals, now that the medicine shortage is the topic of constant discussion at all public health conferences, and now that humanitarian aid is being sent to us in the form of medicines, the warehouses of Russian pharmaceutical enterprises are full of medicines worth hundreds of millions of rubles.

Ferreyn Pharmaceutical Joint-Stock Company alone has accumulated 260 million rubles' [R] worth of unsold

medicines. The weak domestic medicine industry, which was accused of failing to provide the public health system with the necessary supplies, had almost recovered but is now back on the verge of collapse—this time because of the lack of demand for its products.

The demand for some medicines is only one-fifth or one-sixth as high as it was. Regrettably, the number of sick people has not displayed the same decrease. The reason is the dramatic increase in prices, making the medicines inaccessible to pharmacies.

"All of the medicines we produce were once extremely scarce," General Director E. Drachevskiy of Ferreyn FAO [Pharmaceutical Joint-Stock Company] said. "Ampiox—a mixture of ampicillin and oxacillin—was in such high demand, for example, that around 100 tonnes had to be purchased abroad. Now we have great difficulty selling it, and we have had to sell one type to agriculture—for animals. Doxycycline and metacycline capsules were also something that had to be sold under the counter, but now I cannot even sign a contract with the supplier of the raw materials, because pharmacies are requisitioning only a third of the quantity we produce. A package of doxycycline did cost R3, and now we are charging R18, although we are paying 10 times as much for the raw materials. In February we had to stop producing some medicines because we could not get rid of them...."

Ferreyn specializes in antibiotics, diagnostic agents, and anticancer drugs. When the new economic opportunities became a reality, some Moscow enterprises of the former Ministry of the Medical Industry united in this large firm that now produces one-tenth of the medicines produced in the country. When the members of the collective became the owners of a "private business," they decided to modernize production and spent more on repairs and renovations than the amount spent in the previous two five-year plans. In contrast to other businesses, Ferreyn did not suffer any production cutbacks and even displayed some production growth. Now even this company, the kind of strong association on which the domestic pharmaceutical industry should be based, is facing the prospect of production cuts....

Problems in the marketing of medicine are not being denied at Rosfarmatsiya Association, a consumer of medical products.

"Our pharmacies are now in a difficult financial position," Rosfarmatsiya Deputy General Director L. Nesterov explained. "They cannot even pay suppliers for earlier deliveries of medicine, because we owe them R600 million in all. We are asking the government for R2.5 billion to supplement the pharmacies' own working capital."

The 28-percent tax on added value, which also applies to medicines, has put everyone in a hopeless position. As a result, prices are not four or five times as high, as people expected, but eight to 10 times as high, or even more—depending on the raw materials. With their severely

"devalued" working capital, pharmacies cannot pay these prices, especially now that the fixed prices of the 250 medicines classified as vital necessities are four times as high as they were in 1991. As a result, the ones classified as "very important" have become somewhat unnecessary: Who will make an effort to buy drugs that can only be sold at a loss? Subsidies will not be paid until the end of the quarter, and the pharmacies are naturally being cautious in their purchases: They do not know how much they will get, and there is always the danger of overspending. Subsidies are still a problem for hospitals, which use half of all the medicines produced: Their subsidies have been doubled, but how much medicine can they buy with this money now that medicine prices are 10 times as high?

"We have tried," E. Drachevskiy said, "to contact everyone imaginable—the Republic Bank, the government, and the Ministry of Health—just to get their attention! After all, this situation could have irreversible consequences. If we are forced to stop production, the results would be an acute shortage of medicine, the disruption of economic ties of many years' standing with suppliers, and the unemployment of thousands of people. The treasury has not finished counting the huge sums it received in tax revenues. Has anyone given this any thought? The Ministry of Health just wants to get as much foreign currency from the government as possible and is spending huge sums on imported medicines each year.... If we could just have \$70-\$80 million on credit, to buy production equipment, we could save the state three or four times as much on purchases in the very first year. We could cover the whole demand, for example, for doxorubicin (an anticancer drug), but they stubbornly persist in buying it abroad at \$5 a vial. We used to sell it for R2, and even now that it costs R185 a vial, this is still much cheaper, and the quality is the same. We have everything necessary—production facilities, excellent personnel, and a high level of scientific potential. Why not support the domestic pharmaceutical industry instead of stimulating the growth of industry abroad?"

Why not? After all, it is clear that purchases abroad are no solution, because a country as big as ours cannot live on imports alone. Furthermore, the state is obviously generating losses by selling the imported medicines at some kind of "special" exchange rate of the dollar to the ruble—first 1.8 and then 5.4. The result is that imported medicines are now being sold at dumping prices, putting domestic producers in an unfair position in relation to their foreign competitors. Furthermore, a shortage of our own medicine will necessitate more and more new purchases and expenditures of hard currency, and this can only hurt our country's economy.

We have already reported the message the directors of pharmaceutical enterprises sent to the president of Russia, suggesting ways of saving the industry. They would entail the revision of medicine pricing policy, changes in the taxation of medical production profits, the reconsideration of the very principle governing the allocation of hard currency for public health, and other

measures. Director Drachevskiy of Ferreyr FAO also suggests the elimination of the monopoly on import purchases by a single organization. The network of pharmacies should not be monopolized either. The quickest possible privatization of the pharmacies will also regulate the "circulatory system."

There is no question that specialists know more about "how things should be set up" in the industry. In their opinion, it has the necessary strength and potential and must be given a chance.

Public Catering Privatization Slow

924A0906A Moscow *TORGOVAYA GAZETA*
in Russian 4 Apr 92 p 2

[Interview with V. A. Ananina, director of the Public Catering Administration of the Russian Ministry of Trade and Material Resources' Trade Committee, conducted by *TORGOVAYA GAZETA* correspondent S. Skurikhina: "Verdict on Public Catering"; date and place of interview not given]

[Text]

[Skurikhina] How many public catering enterprises have obtained the rights of juristic persons? As we know, commercialization was supposed to have been completed before 1 January, after which the second step, the start of privatization, was to have been taken.

[Ananina] We have figured that there are 17,000 cafeterias, cafes, restaurants, and so forth, that are to be commercialized. As of today, if one is to believe official reports, 70 percent of them have obtained the rights of juristic persons. In many oblasts—Bryansk, Kursk, Tambov, Belgorod, Chelyabinsk and others—the percentage is higher. Matters are worse in Smolensk, Lipetsk, Astrakhan and Kuybyshev, and very bad indeed in Tatarstan and Kirov and Amur oblasts.

[Skurikhina] What is holding up commercialization?

[Ananina] Local property committees were late being set up. As of this time, about 800 public catering trusts and combines have registered as leased enterprises. I ask the directors: Why are you holding the enterprises in your "fist" rather than giving them "freedom"? They reply that they would then lose leasing rights. That is wrong, according to the law, all enterprises belonging to a trust under leasing arrangements become its legal successors, and their leases are retained. So the trusts and combines evidently do not want to lose power.

Although, in all fairness, one must say: The problem is not simply personal selfishness. Many middle-level executives, with rare exceptions, are not prepared to work independently. The situation with respect to goods is extremely difficult. Commercialization would go much more successfully if the market were saturated and there were no need to snatch up foodstuffs by the truckloads, and to put aside reserves for future contingencies. The

specific nature of public catering is that it has very little working capital. So you do not particularly display your providence

Moreover, there is no place to store things. That by itself is turning into an impediment to commercialization. The depots and storage facilities belong to a unified trust. And the cafes and cafeterias that are separated from it are left without any storage facilities.

Yet another reason, which may be the main one, lies in the extremely complex structure: many "clusters" (of 17 to 20 enterprises) and trusts are mixed in nature, including enterprises open to the general public, factory cafeterias, and food-service outlets in schools, higher schools and vocational-technical schools. The plants put "their own" cafeterias on their balances, and the general-access enterprises separate themselves and get their own bank accounts. What is left are the school food facilities. That is why the trust director says: first let the property management committees decide to whom I should turn over the school food facility, and then let's divide up.

At present 22 percent of all children are fed in schools. That is an average. But Taganrog's School No. 35, where I visited, for example, only 30 of the 2,200 pupils receive hot food. Schoolchildren's health is in danger. And the second thing that worries me is the threat of unemployment for public-catering specialists.

Or consider this: We visited a teacher-training institute. Of the 6,000 students there, from 500 to 700 are fed in the public-catering buffets, the classroom-building buffets, and the cafeteria. Although the stipend has been raised to 274 rubles, it is not enough for dinner. Therefore, in January employees of the institute's cafeteria were for all practical purposes left without pay: they received 175 rubles each, while the dishwashers received 95 rubles each. Now they are also being ordered to pay rent on the facilities. The teacher-training institute might take over the cafeteria, but it is unable to: it gets its own funds from the state budget.

[Skurikhina] What is to become of school and student cafeterias, or are they doomed to be closed in the near future?

[Ananina] It is impossible in one year to reorient our entire social public catering to the market, that is, to achieve complete independence. One option would be for them to remain part of some sort of commercial structure. But then the city authorities would need to grant them breaks: in particular, to reduce the charge to them for leasing facilities, and to allocate them produce from suburban kolkhozes and sovkhozes—at least a modest part of their deliveries—at reduced prices.

[Skurikhina] One goal of commercialization was to better serve the public. Have there been any changes in that regard?

[Ananina] Unfortunately, it is turning out that what is coming to the fore is the desire to straighten out one's

own financial situation, even to the detriment of all the rest of one's operations. Therefore, we cannot completely ignore this branch. After all, we are dealing here with the system of people's nutrition. It must have help. During the initial stages it cannot get by without it. The question is who will provide it and how. Public catering administrations have been abolished almost everywhere. There are only three of them left: in St. Petersburg, Yekaterinburg and Lipetsk. Mixed trade and public catering administrations have been established in some regions in recent days. Granted, trade committees have already been set up in 14 oblasts—the need for them was felt. But these committees contain only one or two, or at best three, specialists in public catering.

[Skurikhina] Now the question about progress in privatization: What problems are public catering enterprises encountering?

[Ananina] Property management committees have now been authorized to redraw former leasing contracts only on the condition that a collective of lessees has been registered. This little nuance decides everything. For example, a cafeteria trust has been registered as a lease trust, but as a collective of lessees, rather than a juristic person but. Now these enterprises will be privatized on terms of commercial competition.

The collectives of large enterprises where the value of fixed assets is a million rubles or more are worried: according to the privatization regulations, the only form of privatization for them is to become a joint-stock company. They have the right to buy their enterprises out, but it is impossible for them to exercise that right. Despite all the favorable terms that are provided, a collective cannot get together that sort of money. The enterprise will be offered to the highest bidder.

In the relatively small cafeterias and cafes matters are also going badly. No matter how much food they prepare, all their efforts are in vain: their income from sales does not cover expenses.

[Skurikhina] Can you give the actual figures as to how many public catering enterprises have been privatized?

[Ananina] The process is going slowly. And it does not depend on us. In most oblasts no privatization program has been approved. Property division has not even been carried out to determine which enterprises are oblast enterprises and which are city enterprises. Privatization programs for individual facilities have not been adopted, either. According to the rough data we have, no more than 5 percent of the enterprises have been privatized. So it is too early to speak of results.

Disagreements Continue in Formation of Writers' Union Successor

Argument Over Leadership

924C1225A Moscow LITERATURNAYA GAZETA
in Russian No 14, 1 Apr 92 p 3

[Editorial: "Will There Be a Congress or Not?"]

[Text] We have already told readers about the discussions on holding a congress of the Union of Writers of the former USSR and reported that two press conferences were held on the day the last issue was published.

In the first one, T. Pulatov, as well as the secretaries of the board of directors of the Union of Russian Writers and the Union of Writers of the Russian Federation, explained why an "all-union" conference of writers' organization representatives was convened the preceding week, on 17 March: it was necessary to prepare for a congress of writers of the former USSR. Without a congress in which all writers' organizations, at least the largest ones, take part, it is impossible to organize the activity of both the Association [Sodruzhestvo] of Writers' Unions and each of its organizations individually. Economic and financial questions were cited first of all. Telegrams protesting the decision by the association cochairmen to remove T. Pulatov from his position as first secretary, which was also adopted the previous week, were read out. In the telegrams, the leaders of writers' organizations, including those in Byelarus and Ukraine, categorically demanded adherence to the agreement reached at the congress preparation conference on 17 March, when a new organizational committee headed by T. Pulatov had been formed.

At the second press conference, A. Nuykin and N. Penchenko, the new leaders of the SSP [Association of Writers' Unions], responded to questions about the reasons why T. Pulatov could not remain as first secretary of the association: without the consent of the SSP and SRP [Union of Russian Writers] coordinating councils, he had made appointments to positions, made decisions with respect to the SOVETSKIY PISATEL [Soviet Writer] Publishing House and the Foreign Commission, misused his official position (after Ye. Yevtushenko had spent sizable sums on trips abroad), and so forth. However, this was the principal reason that stood out: he had admitted to complicity in preparing for an "all-union" congress for the Union of Writers of the Russian Federation.

The principal reason—ideological separation—was clearly apparent at a meeting of the Moscow Writers' Union, where a decision was adopted expressing lack of confidence in T. Pulatov and declaring the formation of a congress organizing committee at the 17 March conference to be illegal. The meeting confirmed the authority of the congress organizing committee which was established by decisions of the secretariat of the USSR Union of Writers on 18 October 1991 and reaffirmed by the founding conference of the Association of

Writers' Unions on 10 January 1992, which included A. Adamovich, Ch. Aytmatov, G. Baklanov, V. Bykov, R. Ibragimbekov, F. Iskander, B. Mozhayev, and other well-known writers. The meeting emphasized that the decision adopted previously by the executive committee of the Association of Writers' Unions and the collective of the SOVETSKIY PISATEL Publishing House on the status and activity of the new board of directors and management of the publishing house was suspended illegally by the 17 March conference of writers' organization representatives.

Meanwhile, it became known when the issue was being made up that the Moscow group of the congress organizing committee, whose authority was confirmed by the founding conference of the Association of Writers' Unions, will meet on 31 March, the congress organizing committee under the chairmanship of T. Pulatov will hold a meeting on 2 April, and the meeting of the coordinating council of the Union of Russian Writers set for 7 April has been postponed until 16 April at the insistence of its leaders.

Competing Organizers

924C1225B Moscow LITERATURNAYA GAZETA
in Russian No 15, 8 Apr 92 p 3

[Editorial: "Two Organizing Committees for Two Congresses?"]

[Text] Events in the Union of Writers were developing as rapidly last week as they were in the two preceding weeks. On Tuesday, 31 March, the Association of Writers' Unions (SSP) was finally registered at the Russian Federation Ministry of Justice. Its founders were the Union of Writers of Armenia, the Union of Writers of Kyrgyzstan, the Union of Russian Writers, the Moscow Writers' Union, the St. Petersburg Writers' Union, "Aprel," and other writers' associations. On the same day, the initiative group of the organizing committee to convene a writers' congress which was formed on 18 October 1991 and confirmed by the founding conference of the SSP on 10 January 1992 removed Timur Pulatov from the leadership of this committee, charging him with misuse of his official position and the trust of his colleagues. The committee leadership was taken over by Chingiz Aytmatov, Sergey Antonov, and Vasil Bykov, who sent a letter to all writers explaining the situation that had developed. The Council of Cochairmen and the Executive Committee of the SSP stated that they consider this organizing committee to be the one that is competent and that the organizing committee under T. Pulatov's leadership, which was formed on 17 March 1992 at the conference of writers' organization representatives, is illegal.

Meanwhile, a new organizing committee under T. Pulatov's leadership convened on 2 April. He took into consideration that the SSP had been registered and disregarded the statement by the Council of Cochairmen and the Executive Committee of the SSP. Alluding to the

decision by representatives of writers' organizations on 17 March, he stated that the organizing committee established on 19 October 1991 had forfeited its powers. An organizing committee bureau was elected to resolve the routine problems connected with the preparation for and conduct of the Ninth Writers' Congress, consisting of T. Pulatov, M. Kudimova, B. Romanov, Sh. Niyazi, P. Movchan, B. Mozhayev, and Maksud Ibragimbekov. A draft resolution also took into consideration the statement by members of the board of directors and cochairmen of the Union of Russian Writers (R. Solntsev, M. Yukhma, I. Zolotusskiy, V. Lukyanin, A. Ivanchenko, M. Kudimova, and Kh. Beshtokov) that the Union of Russian Writers is suspending membership in the SSP.

When this issue was being made up, there was a meeting of the secretariat of the board of directors of the Union of Writers of the former USSR, at which it confirmed that it had not been abolished by anyone, that it had made no decision to disband, that it continues to function at this time, and that the association's executive committee has actually been exercising authority on its behalf and is continuing to do so. The secretariat repudiated the organizing committee resolution of 2 April and approved the decision to remove Pulatov from his position as first secretary of the Union of Writers Board of Directors (before the congress) and deprive him of the right to sign for finances. Until the congress is held, all financial and economic matters related to SSP activity have been entrusted to the secretaries of the Union of Writers who are members of the SSP leadership: A. Adamovich, V. Arro, Ch. Aytmatov, A. Ananyev, A. Anfinogenov, G. Baklanov, V. Bykov, A. Voznesenskiy, A. Dementyev, F. Iskander, D. Kugultinov, B. Mozhayev, A. Nuykin, V. Ognev, V. Oskotskiy, A. Pristavkin, Ye. Sidorov, V. Savelyev, Yu. Surovtsev, M. Shatrov, and Yu. Chernichenko.

In the meantime, the problem of the legal succession to the USSR Union of Writers is an open question. To a large extent, its solution depends on the position of the Union of Russian Writers, which may finally clear it up in the coordinating council of this union on 16 April.

RABOCHAYA TRIBUNA Seeks Help From Readers

924C11854 Moscow RABOCHAYA TRIBUNA
in Russian 10 Apr 92 p 1

[Appeal to readers: "A Declaration of Love. But on an Economic Basis"]

[Text] "Help, newspaper!" Perhaps every other letter begins or ends with these words. Not so long ago it seemed that the press's responsibility to the specific reader—to protect him from rudeness and injustice and from the arbitrariness and indifference of authority—which had been established for decades, fell to second priority. There were so many heated battles and such

lengthy controversy! And now it would seem that perestroika will put everything in its place, democracy will at last give each of us the truest protection—the primacy of the law, and the sovereignty of the person. Some publications even hurried to abolish the letters sections, saying, nowadays we are not in the mood for complaints.

Perhaps it is like that—not in the mood for complaints. But now the next envelope has been opened and in it again is an appeal to the newspaper: "Help, RT (RABOCHAYA TRIBUNA)." No, the reader is not asking for justice at the housing office, he does not require protection from the prosecutor. The letters contain cries from the soul. There is the bitterness of the veteran who has been forgotten by everyone, the anguish of the mother who does not have the money to raise the young one, the bewilderment of the miner who is without work.

As never before, they need our help. Today.

The market, more precisely, those economic and social breakdowns, the game we call the market, have struck even the newspapers. The prices for paper, which have risen repeatedly, the printing expenses, and the circulation of a newspaper have put the most popular publications on the verge of ruination. Interruptions in the output of issues have started. Even RABOCHAYA TRIBUNA had a forced silence of a week. There was a flurry of phone calls, and telegrams assailed the editorial office: "What's the matter with TRIBUNA?" "When will the paper come out?" It was right then that we understood: the people need RT, and they expect it, and they rely on it, as before. We have become convinced that we do have real friends. We turn to them at a difficult time.

"Help the Newspaper!"

And help came.

From hundreds of readers, whose names we learned for the first time from the warm letters and which we read on the little forms for money transfers.

From labor collectives which long ago recognized the TRIBUNA as their workers' newspaper and did not consent to giving it up.

From our cofounders in publishing the paper—the Federation of Independent Trade Unions of Russia, with which RT has always come forward when there was a question about the interests of the people, about the protection of their social, civil, and labor rights.

Today one can say: the paper has held up. The paper will come out. The real support which the Russian Union of Industrialists and Entrepreneurs also extended adds to our confidence. The basis of this collaboration is unity or a coinciding of views on the toughest problems of the time, an understanding of the necessity for a deepening of reform in the economy, and a broadening of the rights of labor collectives, of entrepreneurs, and of all who today are undertaking to arrange for and expand production.

Let's speak frankly: the help came in time. And it came, in essence, not so much for the newspaper itself as for its readers. Everyone who supported and is supporting RT today: the Russian trade unions, laboring collectives, and entrepreneurs—have already done a very important and difficult job—they have preserved the newspaper for the subscribers. Indeed, in order to cover costs for producing and distributing the newspaper, each subscriber should pay at least 200 rubles by the end of the year. This sum, naturally, does not include expenditures for the maintenance of our editorial office and the journalists' pay—not under any circumstances will we put them on the shoulders of our readers. On the contrary, all funds obtained from our own advertising and commercial activity, we aim first at absorbing the growing printing costs, trying to the maximum to soften the blow for the subscriber.

In carrying out the provisions of the President's Order on supporting the press, the Russian Government intends to extend financial assistance to RABOCHAYA TRIBUNA, and that means, primarily, to its readers. Yesterday, literally, we found out that budget financing for more than five million rubles has been opened up for RABOCHAYA TRIBUNA for April 1992. Further, the ministry will strive to increase this monthly monetary support.

Already the striving itself to support the newspaper has great significance. And all the more so that it was businesslike help. But let us recall: there are RABOCHAYA TRIBUNA subscribers not just in Russia. More than 80,000 of them live in Ukraine, about 25,000 in Kazakhstan.... Who will help them? We are addressing this question primarily to the governments of the sovereign states of the Commonwealth, for the fate of the newspaper in these states is, as before, worrisome.

The Ministry of Communications of Russia, for example, has given a guarantee to the readers who signed up for subscriptions last year to deliver the newspaper at the old rates. But in the Ukraine, and in all the Central Asian republics of the former Union, the prices have been raised severalfold. This past week unequivocal ultimata have come to RT from there: Do not pay for delivery—the paper will not get to the subscriber!"

Who will put what on our account tomorrow? Only the market knows the answer. But whatever this "answer" may be, it is obvious to us: there cannot be talk in the current situation, which is not easy for us, to require that our readers pay hundreds of rubles.

BUT WE CANNOT GET ALONG AT ALL WITHOUT YOUR HELP. THIS HELP CAN BE COMPARATIVELY SMALL—47 RUBLES.

It is precisely this amount that we ask each subscriber to transfer to the editor's account. Of course, we shall not turn down a larger amount. But it is obligatory—no less than 47 rubles.

Having responded to this appeal, you will be helping RT to carry out its responsibility to you.

Outcome of Church Council Viewed

92UN1132A Moscow ROSSIYSKAYA GAZETA
in Russian 9 Apr 92 p 8

[Article by Yuriy Buyda under the rubric "Commentary": "The Council Meeting Is Over. Everything Is Ahead"]

[Text] The Bishops' Conference of the Russian Orthodox Church—closed to the press—has just finished its work but still has not brought clarity to the increasingly contentious problem of the autocephaly of the Ukrainian Orthodox Church. It was decided to take this issue to the Russian Orthodox Church local council; until then, the only visible result is the statement issued by Metropolitan of Kiev Filaret regarding his intention to petition to be relieved of his duties upon his return to Ukraine. In the opinion of observers, in order not to allow the metropolitan to "change his mind" about this decision, the Bishops' Conference made public the results of the discussion on this issue. It is unlikely, however, that this will stop the process of "sovereignization" of the Ukrainian church, which is currently living through a difficult period of struggle between supporters and opponents of independence, for whom the word of the Bishops' Conference appeal was intended: "God forbid that the discussion of Ukrainian autocephaly will create in God's Church one more split and lead to canonical chaos."

The Appeal "to all those near and far" adopted by the council is justifiably seen as an attempt at the Russian Orthodox Church's self-determination in post-totalitarian Russia. And although the Appeal only gingerly approaches the problems of the individual, it is interesting in that probably for the first time in the history of the Russian church it makes an attempt to formulate, at least in the most general terms, the social doctrine of orthodoxy.

As expected, the council placed at the forefront the peasants, linking to them the hope for the stability of society and the harmony of the people. In second place are entrepreneurs, whom the council forewarns against the sin of greed. It appears that these two categories, vaguely called peasants and entrepreneurs, are the Russian Orthodox Church's reference points in its search for a social base. It is remarkable that, in appealing to all working people, the council underlines: "In your hands lies the future of the nation, whose well-being now depends not so much on the system as on the individual, his actions and inner self." Thus for the first time the church, albeit not in an obvious manner, not only separates the "kingdom" from the "priesthood," but also places at the forefront the active individual, whose interests are placed at the very least not lower than the interests of the system, of the state. In essence, this constitutes a fundamental revision of the basic traditions of the Russian Orthodox Church, always tied in the

"God-chosen marriage" to the authority contrary to the interests of the individual—a revision started last fall by Patriarch Aleksiy II and his confederates.

Of course, to the secular person all of this is still a mere declaration; nevertheless, one should note the consistency of the patriarch's efforts, who by way of cautious reforms is trying to preserve the integrity of the Russian Orthodox Church, thus reminding us of M. Gorbachev's tactics and strategy. Will Aleksiy be able to accomplish what the ex-president failed to? It all depends on the disposition of forces inside the church, whose thousand-year-old building may be destroyed either by supporters of unbound reform or by those, it is believed, extreme reactionary forces who were behind the launching of the story regarding the church hierarchs selling out to the KGB. The council, by the way, has created a commission that is investigating the allegations about links between the people of the church with the state security of the former Union.

Accuracy of Public Opinion Polling Examined

924C1229B Moscow KULTURA in Russian No 11,
4 Apr 92 p 2

[Interview with Professor B. Grushin, head of the UR Service for the Study of Public Opinion, by L. Kononova: "Problems and a Telephone Poll During the Day"]

[Text] What do the results of sociological polls actually reflect? How are they conducted? Who are the persons being interviewed? How great is the margin for error? One of the country's leading sociologists, Professor B. Grushin, head of the UR Service for the Study of Public Opinion, considers these problems.

[Kononova] Boris Andreyevich, when you took the first steps in sociology in the 1950's, you undoubtedly did not foresee that it would achieve such astounding growth in the 1990's. There are a large number of sociological centers and services today. So are you experiencing your hour of triumph?

[Grushin] Alas, no. The fact is that sociology today is as far from being in an ideal situation as it was before. Moreover, when our sociology was conceived—in the late 1950's and early 1960's—it was much more professional than it is now. Economists, historians, journalists, and mathematicians came into sociology then. They came with the most serious intentions—to find out the truth about the society they were living in, and these intentions were realized to a large extent. It is not a coincidence that our sociology held a very important position in the structure of world sociology in the early 1960's.

Though to the extent that sociology ceased to justify the hopes of the party and the government, obstacles impeded the development of honest sociology and it began to fall into decay. The collapse occurred in 1972, when persons who had set themselves the goal of driving

out honest sociologists came to the leadership of sociological science. They were eminently successful in accomplishing this, and since that time there has been less and less professionalism in sociological awareness.

This process is being continued now. The widespread demand for information has given rise to a vast number of services, centers, and associations which conduct so-called sociological polls. And these services produce more harm than good.

[Kononova] Why are they harmful? Specifically how is the sociologists' lack of professionalism being displayed?

[Grushin] Harm? Harm in the misinformation which these centers are disseminating with respect to the social processes under way in the country. Misinformation is always harmful. But today, when the situation is so contradictory and confused, it is twice as harmful, because there are always persons for whom false information is profitable and who allude to it.

For a long period of time the television program "Itogi" [Results] has carried the data produced by the Institute of the Sociology of Parliamentarianism (the combination of sociology and parliamentarianism is completely incomprehensible, by the way) which attest to the increase in public optimism about the reforms being carried out by the Yeltsin-Gaydar government. I question these data, because I know it is very difficult to arrange a sampling of people in Moscow so that it is sufficiently objective. We developed a sampling such as this over a six-month period. We compared Moscow's 31 rayons in 32 characteristics in order to determine the five or six rayons which are most typical of Moscow. No one is concerned with such "foolishness"—they simply go out on the street and conduct the polls. At the same time, no one, including Yevgeniy Kiselev, the person in charge of the "Itogi" program, ever indicates who is being polled by the sociologists, and where. This is the reason for the unobjective information which I am certain is detrimental to the government.

But the lack of professionalism begins even with arrangement of the sampling. Problem number one is the choice of question and the way it is put. Formulation of a question should include a problem on which public opinion has already taken shape. It is a serious error to assume that there is a public opinion on literally every question. If the respondents, that is, those who are being polled, do not have an opinion on a given problem at the moment they are polled, you will not learn about the public's opinion even after several thousand answers—you will simply have a total of answers. Public opinion is a very complicated social product of public development which is formed as the result of discussion and communication among people; it is a reflection of the viewpoint of one social group or another, developed by the public.

[Kononova] So it is good that the authorities do not take the sociologists seriously?

[Grushin] It is good when they do not take the information from unprofessional persons seriously. But unfortunately, this lack of interest by the country's leaders in objective analysis of public attitudes is extended to the professional services as well. Especially to them, by the way, since the results they produce are less apt to make the authorities happy. I can substantiate this with an example from our service. The Russian Government once asked us to determine the attitude toward the "500 Days" program. The poll results turned out to be exactly the opposite of what they had expected. And the Russian Government has not needed our services since that time.

I am convinced that this entire system of pseudoscientific information centers and services for the study of public opinion, which have no relationship whatsoever to serious sociology, would never have been developed to such an extent if the authorities had not demanded this kind of unobjective information.

The situation is absolutely astonishing. Information is needed which reinforces the leadership's faith in itself and which is free of charge if possible. The mentality of the current government structures does not appear to differ from the previous structures; they have become accustomed to regard information as an absolutely free commodity. The CPSU Central Committee, the Council of Ministers, and the USSR Supreme Soviet received all information free of charge throughout their existence. Even if the price for it was 2 kopecks, they did not pay it. And the end result is common knowledge. So the current authorities do not want to pay for information either, and they want to obtain it easily.

[Kononova] But what if they pay generously? Won't this affect the objectivity of the study results? Doesn't the formula of "the one who pays orders the music" still operate here? Who is financing your service, by the way?

[Grushin] Yes, the matter of whose funds are used by one service or another to conduct its study is a key question, of course. If a service has one source of financing, I have serious doubts about the objectivity of the information it obtains.

Our service is completely independent, since we exist as a commercial cost accounting organization. A client interested in obtaining information pays us and we fill his order. If a client pays a large amount of money for information, he wants it to be as honest as possible—he needs this information for his business, after all. For example, last year the journal OGONEK paid us well to determine the status of subscriptions in the regions. It needed a realistic picture, not an illusory, reassuring picture, so that it could take precautionary and preventive steps. We provided such a picture for it. It acted in response to that picture, and the subscription results turned out to be better for OGONEK than for other newspapers and journals. To a large extent this happened because of our efforts.

[Kononova] Boris Andreyevich, is different information often received from the studies conducted by different

centers? Has anyone been caught in the act, as they say, of falsification or an unpremeditated error?

[Grushin] I will cite this example. A year and a half or two years ago, a highly respected service for the study of public opinion conducted a poll on this question: Which problem in the city is of most vital importance? The results of the poll were announced on a television program in which the city fathers took part, and the most critical problem today was health care. I was astonished. The fact is that we and other services had rated the critical nature of social problems more than once, and the housing problem had always been in first place. Why had the situation changed so abruptly? Had they begun to build more housing, were there less people on the waiting list in Moscow, or had there been some kind of breakdown in health care?

I decided to spend a little time and money to conduct another poll on this topic. The result was the same—housing in first place, food availability in second place, and health care in seventh place. So why did that service have different data? The explanation is very simple. The poll was conducted during the day by telephone. Who answers the telephones during the day? Mainly pensioners and persons who are ill. There is no question that health care is the most critical problem for them.

[Kononova] Tell us, is anyone called to account for spreading misinformation or does everyone go unpunished? We have to fight the unprofessionalism...

[Grushin] Yes, but how? Call out some kind of forces to determine what is correct and what is incorrect, and whose study results are objective and whose are not? This step is not simply useless, but dangerous. Because I am convinced that the best ones—not the worst ones—will start to be persecuted, as always. And there should be no monopoly in sociology; the more centers and services, the more objective the picture of the public will be. It is another matter that we have to cultivate the taste of the public and the authorities for honest information and their interest in it.

Moreover, I do not think the situation in our sociology is any worse than in other fields and other areas of science. For every professional economist we have 10 unprofessional ones, and for every philosopher we have 100 who are not professionals. And this, generally speaking, is a normal process. The truth will be crystallized, professionalism will prevail objectively, and all the rubbish, all the extraneous material, will be sifted out.

REGIONAL AFFAIRS

Declaration Accuses Moscow Authorities of Corrupt Economic Practices

924C1206A Moscow ROSSIYSKAYA GAZETA
in Russian 11 Apr 92 p 1

[Article by Aleksandr Linkov, parliamentary commentator: "It Seems That Moscow's Entrepreneurs Have Been 'Reached'"]

[Text] On 9 April a declaration was circulated among the deputies to the Sixth Congress; it was by the Moscow Convention of Entrepreneurs and had been adopted on that very same day. This declaration directs the attention of the people's elected representatives to the fact that two years have already elapsed since the capital's executive authorities declared the beginning of radical economic and structural transformations in this city. The president of Russia granted extraordinary powers to the mayor. But instead of rapid and effective market transformations, what is now on display in Moscow are all the possible vices of bureaucracy—lacking the slightest monitoring controls by the authorities.

Almost to a man, the officials are taking part in commercial structures; a mechanism has been created for them to enrich themselves without any monitoring controls. They are intentionally supporting a level of prices on property which makes the latter inaccessible for the population or for collectives. The entrepreneurs have set forth serious accusations against the city's executive authorities—namely, that they are gradually becoming entwined with the criminal structures, and this facilitates the creation of a unique, Mafia-type network which controls the capital's vital activities.

Our country's businessmen are indignant that Moscow has been in ruins for several years, that half-destroyed buildings stand in the central district and on the outskirts (and we must agree with them in this matter), but local residents are not allowed access to them. However, the best buildings and historical landmarks have been sold or leased for lengthy time periods in return for next to nothing. Meanwhile, the bureaucratic apparatus has exceeded all conceivable bounds or limits and is still growing. Ministries which never existed before have been created. Everything is being done solely for their own interests.

The danger from this cancer of corruption—which is capable of rapidly spreading throughout all the layers of society—is well-known to the republic's leaders. The president issued an Ukase with regard to this matter. And our newspaper has written about this more than once. But what have the entrepreneurs themselves done to oppose such a phenomenon? Because, you know, up to now the following thought has been firmly entrenched in the consciousness of our people: that businessmen—one and all—are unscrupulous and have made their capital gains exclusively by dishonest and dishonorable work....

It seems that the entrepreneurs have also been "reached" by our country's bureaucracy, which has made skilful use of legal vagueness. Therefore, they have appealed to the president of Russia with a demand that the capital be immediately liberated from the "criminal (as underscored in the declaration) authorities and that a commission be appointed to investigate their criminal activities." The businessmen are prepared to hold a meeting in front of the mayor's office, and Muscovites are also invited to come there.

Moscow Oblast Administrator Defends Mission of Administrative System

924C1206B Moscow ROSSIYSKAYA GAZETA
in Russian 14 Apr 92 p 1

[Article by Aleksandr Linkov, parliamentary commentator: "To Take a Step Backward Would Mean Applying the Brakes to the Reforms"]

[Text] At the end of this past week the deputies—flushed with the debates—passed an amendment to the draft decree, an amendment providing for the dissolution of such administrative organs as presidential state advisers and the president's representatives in the localities. A few minutes later R. Khasbulatov, the presiding officer, attempted to correct the deputies' undue haste, but his efforts turned out to be futile. Moreover, disputes over whether or not we need, for example, president's representatives have been going on for a long time. Nikolay Travkin, the administrative head of Shakovskiy Rayon, Moscow Oblast, is categorically opposed to having such representatives. But his colleague in this body of deputies—Gennadiy Veretennikov, the president's representative for the capital's oblast—has a different opinion. And he justifies it as follows:

"Even if the administrative heads were to be elected rather than being appointed, we would need to have organs exercising monitoring controls. Up to now they are appointed. That means that mistakes are inevitable. And this is all too obvious to the president's representatives as well as to the voters. I could cite hundreds of examples of violations committed by administrative heads, enterprise directors, and officials. At the present time virtually none of them are subject to monitoring controls. There are many instances of persons abusing their service positions in allocating motor vehicles and building enormous private homes. If we take away the organs which exercise monitoring controls, then privatization—which has been moving along not too well in any case—will start to become even worse. Furthermore, it will head off in a completely different direction. And then social disruption would be inevitable: People are already so indignant about what is going on. That would mean that the reforms would not make any headway at all.

"To be sure, we president's representatives do not have any levers of power. But we do have the right to present the materials which we have to the president's control administration and to the oblast-level administration. We also have the right to bring up the matter of instituting proceedings against those directors and officials who have gone too far. At our request, such materials may be forwarded to the procurator's office. At the present time, for example, a number of documents are being examined with regard to the towns of Pushkino, Noginsk, Klin, and Lotoshina. In short, measures have been and are being undertaken. And in this particular instance the public also supports us. When people see that at least someone is standing guard over the laws,

they understand that not everybody is indifferent to everything and not everything is permitted.

"Of course, everything could be dissolved. But all of us are being victimized by an old disease—impatience: We want results without delay, right now! So far such results have not come about. Therefore, we think that we have to urgently sweep things away, dissolve them, and break them up. But to endlessly break things up would mean to take another step backward and thereby to apply the brakes to the reforms."

Luzhkov on Moscow Government Socioeconomic Successes

924C1221A Moscow KULTURA in Russian No 11,
4 Apr 92 p 1

[Interview with Yu. Luzhkov, Moscow government prime-minister, conducted by Leonid Galinskiy: "Our Dear Capital"]

[Text] Moscow, as well as the entire country, is experiencing hard times. And, naturally, we would like to hear from the lips of the first leader about the problems of this big city, about the means of emerging from the crisis in which both the capital and its residents have found themselves.

The prime-minister of the Moscow government, Yu. Luzhkov, visited our KULTURA editorial office. In his conversation with newspaper associates, Yuriy Mikhaylovich "illuminated" these and a number of other problems. We present to the readers an interview with Yu. Luzhkov.

[Correspondent] Yuriy Mikhaylovich, Moscow has taken on the appearance of a city under siege: People have lost confidence in tomorrow. They do not know what awaits them. What words of encouragement would you like to say to Moscow residents?

[Luzhkov] Well, let us get right down to the matter, as they say. A year after our democratic government came to power, there are no longer the colossal holes in the city budget with which Moscow has lived for many years. We were not able to accomplish this right away, but we did nevertheless accomplish it. Today the situation has been straightened out, and Moscow residents have felt this. Today one of the top priority directions in the work of the government is the social protection of Moscow residents. The commercial sale of goods has been organized, and its volumes are constantly increasing. The Moscow mayoralty and government regularly allocate additional funds for the needs of city residents. Here is one of the characteristic examples: In 1990-1991, 400,000 pensioners and invalids received and continue to receive subsidies to the minimal pensions and benefits. As of January of this year, single pensioners and invalids, families with invalid children under the age of 16, as well as needy single mothers have been granted a monthly pension supplement in the amount of up to 200 rubles (R). The necessary conditions have been created

in Moscow so that every family would have the opportunity for supplemental earnings. All limitations have been removed. And here is one more notable fact, in my opinion. For the first time in many years, Moscow finally last year fulfilled the plans for operational introduction of residential housing. It has become possible to return to the Moscow residents the old debts which were not paid by the former authorities. The process of effective transformation of the city's economy and the system of social protection of the population has begun. I would like to assure the readers from the pages of the newspaper KULTURA that the Moscow government will continue to give these problems priority attention.

[Correspondent] What has the government which you head up been able to accomplish, and what has it not been able to accomplish? After all, it is being criticized both from the right and from the left. I would like to hear about the reaction of the "city fathers" to this criticism.

[Luzhkov] Let us begin with the criticism. There is an abundance of it today: Whatever they do, they like to criticize us, and they know how to do it. And this, of course, is a useful thing, although, without delving into details I must note that sometimes criticism from a "meeting crowd," which knows ahead of time the scenario of its meeting, replaces matter-of-fact criticism with demagoguery and insults. And so, we gratefully accept anything that might help the cause, any constructive proposals. This is our principle position. How, for example, could we not agree with the discontent of the majority of Moscow residents regarding the fact that the center of the city has turned into a huge branch of the Riga market? We do not shirk the responsibility for this, and have appealed to the Russian government with a proposal to give us a legal basis for prohibiting such "commercial" activity in Moscow.

[Correspondent] What have you not been able to accomplish?

[Luzhkov] First of all, we have not been able to fill the store shelves with a sufficient assortment of products. This problem is our headache. And, believe me, dear Moscow residents, we are seeking means for curing this ill for the millions of Muscovites. By the way, I will note that recently specific steps have already been taken. The trade in vegetables, fruits and meat products has improved. My recent meeting in Alma-Ata with Kazakhstan President Nursultan Nazarbayev allowed us to agree on how to fully solve Moscow's so-called bread problem. In exchange for intellectual aid, Kazakhstan will supply us with grain, vegetables, and other produce.

[Correspondent] Sociologists are not predicting that there will soon be any changes for the better. Perhaps the government which you head up has some serious arguments for refuting such a prognosis?

[Luzhkov] I cannot agree with such predictions, because inconsolability is not a position. We are not sitting with our arms folded. In this case, no arguments are needed to

refute various prognoses. What we need are specific actions. I have already spoken about them above.

[Correspondent] It was said long ago: "Beauty will save the world." But even the cultural leaders are sometimes at a loss—the theatres, museums, and libraries are in trouble. Everyone is short of money. At the same time, the capital has an immense cultural potential in the sense of renovating society. Is this potential being adequately utilized by the government?

[Luzhkov] You have touched upon a rather delicate, I would even say painful, question. Of course, those who believe that beauty will save the world are right. However, unfortunately there is a great distance between this well-worn phrase and reality. And I understand the position of those who today are concerned, so to speak, not with the problems of beauty, but with the struggle for existence, for the future of their children, for respect for old age. And I would also like to emphasize one other thing. We cannot counterpose one situation to another, since in life everything is interwoven into a tight, complex knot. I have already had occasion to say that today it is more difficult for a pessimist than for a person with an optimistic perception of existence. Today's difficulties may be overcome, of this I am deeply convinced. However, there is no such thing as manna from heaven, and it will not suddenly rain down on us. And I would also like it very much if intellectual Moscow would nevertheless feel the soil beneath its feet, that its creative potential not be extinguished, but that it remain the support of society. The Russian intelligentsia, as historical experience testifies, has always served the people. And so let it do them a great service now, in this difficult hour.

And now—more specifically on the question we have touched upon. No, there is not enough money for everything, and especially for those structures which even quite recently were financed under the so-called "residual principle." However, I have no doubt, at least as far as Moscow is concerned, that the situation will begin to change for the better in the near future. I will reveal my little secret: I have many sincere friends among leaders in science, art, literature and theatre. It is not from the newspapers that I know about the problems of culture. We, the members of the Moscow government, are rather concerned about these problems. Measures are currently being developed for giving immediate aid to the capital's intellectual organizations. Primarily those which comprise our national heritage: The Tretyakovskiy Gallery, the Pushkin Museum, the former Lenin Library, and a number of others. In speaking of this, I would especially like to emphasize: The authorities owe an inestimable debt to the thousands of servants of the muses, to those who carry the ideas of the eternal and the beautiful to the people. Give us time—we will repay even these debts. And not only because we understand that lack of spirituality is more frightening than any inflation!

In concluding the response to your question, I would like to express the hope that such a respected and authoritative newspaper as KULTURA will justify its name in

every way, and will illuminate the cultural life of our capital more frequently, more acutely, and in a more interesting manner.

POLITICAL AFFAIRS

Impact of Kravchuk's Presidential Representative Appointments Noted

92UN1191A Moscow LITERATURNAYA GAZETA
in Russian No 16, 15 Apr 92 p 2

[Article by Sergey Kiselev, correspondent: "A Revolution Has Occurred in Ukraine: The Necessity for It Was Talked About for a Long Time by the Second Secretaries"]

[Text] While the people of Ukraine, just like spectators in a theater of military actions, were following the situation in the Black Sea Fleet, while they grew indignant over the president of Russia's sentence: "The Black Sea Fleet was, is, and will remain Russian!", while the sailors were sewing Andreyev-type flags at night—using state-owned sheets for this purpose, to the horror of the quartermaster sergeants—an event was taking place in this republic which attracted much less public attention.

What we are talking about is the fact that L. Kravchuk, the president of Ukraine—utilizing the plenipotentiary powers accorded him by the parliament—appointed his own representatives to all the oblast centers in the republic; these representatives were immediately dubbed "viceregents" or "stand-ins" in the common speech of the people. And these viceregents began—acting on their own recognizance—to appoint their own viceregents to the cities and rayons involved. And in order to prevent a situation developing whereby "the viceregent of my viceregent is not my viceregent," all of them also have to be approved and confirmed by Leonid Makarovich.

In this connection, it should be noted that the overwhelming majority of presidential viceregents in this republic's oblasts (and it seems to be the case in the rayons as well) are former Communist Party officials or staff members, who studied dialectics not according to Hegel, but rather at the VPSH [Higher Party School].

As to the democrats who are being nominated to the posts of viceregents by political parties, public movements, and local Soviets of People's Deputies, the overwhelming majority of the candidates proposed have been left without anything to do. Moreover, the Ukrainian parliament, busily engaged—for the most part—with "sorting things out" with the Russian parliament, showed virtually no reaction to the fact that L. Kravchuk has concentrated enormous authoritarian power in his own hands, relying—in this matter—on the old structures.

The situation with regard to the appointment of former highly placed party bureaucrats as presidential representatives has been perceived by many persons in Ukraine not only as a recoil and rollback from the recently made democratic gains, but also as an attempt to create the new principles of a market economy by the former administrative-command methods. And, therefore, they are doomed a priori to collapse and failure.

Of course, what happened in Ukraine with respect to the creation of such a specific institution as the viceregents clearly and graphically confirms the idea stated as follows by the former deputy of the former USSR from the former Voroshilovgrad Oblast: After the August putsch a revolution began in this country, when the second secretaries of Communist Party raykoms, gorkoms, and obkoms (by the way, even L. Kravchuk himself rose through the ranks to the post of second secretary of the Ukrainian Communist Party Central Committee—S.K.) rose up to struggle against the first secretaries.

For the sake of fairness, however, it must be said that among the persons appointed as presidential representatives former Communist Party first secretaries are rarely encountered. But this is very obviously—merely a random coincidence rather than being systemic. Otherwise, none other than S. Gurenko, the former first secretary of the Ukrainian Communist Party Central Committee, would be appointed viceregent of the Ukrainian president for Ukraine (just imagine L. Kravchuk in such a position).

Nationalities Committee Head on Interethnic Relations

92UN1110A Kiev PRAVDA UKRAINY in Russian
24 Mar 92 p 2

[Interview with Yu.A. Olenenko, chairman of the Committee for Ethnic Affairs under the Cabinet of Ministers of Ukraine, by PRAVDA UKRAINY correspondent Larisa Koritska; place and date not given: "Everyone's Rights Are Equal in Free Ukraine"]

[Text] The congress of Ukrainians of independent states that was held in Kiev highlighted a number of problems of interethnic relations in sovereign Ukraine as well. This is the subject of an interview by our correspondent Larisa Koritska with Yu.A. Olenenko, the chairman of the Committee for Ethnic Affairs under the Cabinet of Ministers of Ukraine.

[Koritska] Yuriy Aleksandrovich, first of all, how do you assess the situation in the interethnic sphere?

[Olenenko] Against the background of interethnic conflicts that are flaring up in a number of regions of the former Soviet Union, your question is more than appropriate. But in our country, to put it briefly, relations between national and ethnic groups are normal and civilized. Ukraine, where for 37.4 million Ukrainians there are about 14 million people of different ethnic groups, has luckily avoided interethnic hostility, and it did not resort to a division of the people into ours and theirs.

It can be said with confidence that the idea of Ukrainian statehood blended with the national consciousness of all citizens in Ukraine, regardless of their political views and national and religious membership.

But we will look truth in the eyes: There are also a lot of opponents to the independence of Ukraine. We are seriously troubled by attempts, most of all from the outside, to destabilize the political and interethnic situation in the republic, and to play the national card: Russian language, state borders, and the armed forces. In truth, the leading characters are changing on the political Olympus, but the imperial policy of "divide and conquer" is not changing.

[Koritska] As you know, certain forces are exaggerating the question of an alleged impending forced Ukrainization of the Russian-speaking population. And, indeed, the mass media of Russia do not mind discoursing on their grievous state. What can you say in this regard?

[Olenenko] This is a myth, the fruit of a feverish imagination of those forces that do not like the sovereign existence of Ukraine.

In fact, there can be no question of Ukrainization of the Russian-speaking population, when half of the children of the republic are studying in Russian schools; personnel staffs are 22 percent Russian; 630 newspapers and 45 journals are printed in the Russian language; and the portion of Russian books in the libraries is 60 percent.

In passing, I would like to dispel the myth of "Ukrainization" in connection with the policy of the revival of the Ukrainian language. Actually, the Ukrainian language has the status of the official language. However, the concept of its official status is built on the principles of free and equal development of all national languages. This approach is set forth in the law on languages. This is the philosophical and legal basis on which the "State Program for the Development of the Ukrainian and Other Languages for the Period to the Year 2000" is built. In a word, there will be a policy for the revival of the Ukrainian language—and there will be a language environment.

[Koritska] And, still, our republic is multinational. Is there a legal mechanism for the protection of the legal rights of national and ethnic groups of Ukraine?

[Olenenko] Representatives of more than 110 ethnic groups and nationalities live in Ukraine. All of them comprise the 52 million-nation of Ukraine. With this, I want to emphasize that the representatives of all of the nationalities that live in Ukraine, regardless of their number, have equal political, economic, and social rights, and total freedom for their national culture. And this is stated unequivocally in the declaration of the rights of nationalities of Ukraine that was adopted, incidentally, at the initiative of our republic Supreme Soviet committee.

As for the legal mechanism for protecting the rights of national minorities, it is just now being established.

[Koritska] You say "national minorities." How lawful is this term, and does it not carry a pejorative nuance?

[Olenenko] Such an opinion exists, but it is unfounded. "National minorities"—is a generally accepted term of the world community, and it is recorded in international legal documents. After all, it is a question of the quantitative characteristics of nationalities, but by no means a question of their role in and contribution to civilization. For example, Ukrainians are a minority in Russia in relation to Russians, although there are 10 million there. The same can be said about Russians in Ukraine. Any people, no matter how small it is, is also great. And this is an a priori truth. If, of course, they do not stand on the position of national egocentrism.

We have prepared a draft law of Ukraine on national minorities that is now undergoing a preliminary examination in permanent commissions of the Supreme Soviet of Ukraine. Next is a draft law of Ukraine on deported peoples.

[Koritska] And how are the decisions of the recently held congress of Ukrainians of independent states being implemented?

[Olenenko] The congress gave strong impetus to the consolidation of our fellow countrymen who live in Ukraine and outside its borders, and it united the enormous potential of the Ukrainian nation in the name of building our statehood.

Many interesting recommendations were made at the congress. In particular, concerning the creation of cultural centers, regional newspapers, revival of the activity of Ukrainian theaters, and organization of museums of Ukrainian art, national libraries, departments of Ukrainian books, etc.

The program is extensive, and something is already being done. The main thing is that the national and spiritual revival of the Ukrainian people is gathering strength, and it cannot go back to the way things were.

Chornovil 'Blackmailed' Into Leadership Compromise

92UN1110B Kiev *VECHERNIY KIYEV* in Russian
19 Mar 92 p 1

[Article by Svetlana Sinyakova: "Political Crossroads—V. Chornovil Was Blackmailed"]

[Text] The rumors that were spread in the lobbies of the Third Congress of Rukh [Ukrainian People's Movement for Perestroika] were corroborated at yesterday's press conference where Deputy L. Tanyuk, a member of the Rukh leadership and chairman of the People's Council, gave a speech. Thus, the representative of the diaspora actually demanded of the leadership of Rukh that the \$75,000 and organizational equipment that were given to Ukrainian democrats be returned, inasmuch as he was not pleased with the fact that the sympathies of the congress are tilting in the direction of V. Chornovil. His demands were authenticated by signatures of representatives of the "Chornovil opposition" in the leadership

of the organization, and, first of all, of Deputy I. Drach. Considering the statement that Ivan Fedorovich made public just before this—about the cessation of the congress and the reregistration of all local organizations—the scenario was worked out beforehand. As a result, Ukraine would have two Rukh's—one with foreign organizational equipment and currency, and a program of unconditional support for the president no matter what he did, and the other—an opposition Rukh, and, possibly, illegal (inasmuch as it is not known whether the country's Ministry of Justice would recognize it), with which the first Rukh would have carried on a real struggle.

V. Chornovil and his like-thinkers had to give up: The portfolio of the chairman was divided into three. But a rotten compromise cannot last long. The results of the congress sowed massive dissatisfaction. Rukh is a movement where a person is always evaluated not according to previous services, but according to what and how he is doing today. Obviously, positions in the leadership that were bought for currency will have very shaky support.

Deputy N. Porovskiy, who lost what was left of his popularity with picturesque maneuvers of refusal to accept office and the no less picturesque return during the elections of the leadership took his work record from Rukh with him and went to work permanently in the Supreme Soviet. One of the delegates called this a farce. The leadership of the URP [Ukrainian Republican Party], which recently advertised the party's joining Rukh as an associate member, immediately dissociated itself from it. Contrary to the appeals for prudence by S. Khmara, the chairman of the Republican Party, an absolute majority of the participants of the URP Council voted for this version of a split. It is typical that, at the meeting, among the ardent supporters of this position were B. Ternopilskiy, a senior consultant of the president's political service, and Deputy M. Goryn, Rukh cochairman. And the hottest heads demanded a decision on prohibiting M. Goryn from suspending membership in the URP.

Another split is also entirely realistic—between the rank and file members of the party and the leadership.

Yesterday evening, the Kiev kray organizations of Rukh, URP, and the Democratic Party of Ukraine, as always, worked amicably, preparing to meet the participants of the conference—delegations of the CIS. Together, they established the slogans—"Is Yeltsin really president of the CIS?"; "Ukraine is not part of Russia, but a part of Europe"; "Russia! Return the plundered 'Union property' to the colonies!"

Life is taking its normal course. And it inevitably throws those to the side of the road who are blinded by their own arrogance and narrow party interests. Even if the good dollar uncle supports them.

Western Ukrainian Religious Conflict Viewed

92UN1163A Kiev NEZAVISIMOST in Russian
27 Mar 92 p 6

[Interview with Katerina Nemira, chairman of the Committee for the Protection of the Ukrainian Autocephalous Orthodox Church, by V. Anisimov]

[Text] The psychologists of the old regime have asserted that our fathers, the revolutionary democrats, having once become atheists, by temperament and type of character all the same remained fervently religious persons, only the militant implacability was directed not in the name of the Lord but against it. Is not the same thing happening to us? Having destroyed the totalitarian system, we have remained its children. And for this reason we cannot tolerate that some organization is living differently and is not doing, as we see this, what it should be doing "in a democratic" society. This is first of all true of the church.

Having scarcely been able to exchange their party cards for deputy credentials, many of our leading lights of democracy already consider themselves its teachers. With their former communist party self-assuredness, they extol some confessions and damn other ones, they admonish the believers about what church they need, what the concerns of the church should be, who should run it and how. The idea has even been voiced that we should establish an unified (!) national church of Ukraine, as we have already had unified trade, youth and other unions.

It is particularly difficult for the predominant Orthodox Church. We somehow immediately forgave our own grovelling before the "leading and directing" [party], our fawning on the state bureaucracy and our gut fear of the KGB. But then the church which was suppressed for seven decades and contrary to the assertions of "historical materialism" for some reason did not wither away, we judge with enviable principledness and severity. It calls itself sacred and simply should have perished during Stalinism. As it did not perish it could not be sacred, it's as simple as that!

A church which has besmirched itself with collaboration with the communist regime and state security is not needed in free Ukraine, we are taught by the former communists and Komsomol members. On the other hand, the links of the President, government and members of Parliament with this regime are clearly beneficial to new Ukraine.

It seems never to have occurred to these new teachers of the church that faith is not some conviction which they (proceeding from their own experience) consider that they can change every five years. It is virtually impossible to reeducate or reconvert in matters of faith. Hence any of the fierce attacks on any of the confessions result merely in an exacerbation of the interreligious disputes in the various regions of the republic and primarily in Galicia.

This was the subject of our conversation with the Lvov artist, writer and chairperson of the Committee for the Protection of the UAPTs (Ukrainian Autocephalous Orthodox Church), Katerina Nemira.

[Anisimov] As is known, the UAPTs has always taken a very critical attitude to Moscow and until recently equally so to Orthodox Kiev! And now in the Lvov Area they have established a committee for the protection of the UAPTs. From whom must the community be protected in a democratic Lvov Area?

[Nemira] The problem is that each person in our country is connected to some political orientation. I was also an activist in the Rukh, its propagandist, and an election observer. At that time, all of us together, the believers and the nonbelievers, Ukrainians and Russians, were fighting for democracy. There was no separation. This arose only after the democrats had come to power. Although my ancestors had been Orthodox priests, we were understanding of the nascent Greco-Catholic Church, considering that every person had a right to his own belief and his own rite. But the very first "transfer" in 1989 of the Lvov Preobrazhenskiy Cathedral which had belonged to the Russian Orthodox Church to Greco-Catholic ownership caused a shock for me. Some persons were forcibly removed from the cathedral while others entered it as victors. I phoned the Oblast Soviet, and persuaded N. Goryn that this was no way to humiliate persons. And then I realized that a tragic page had commenced in the history of my people.

[Anisimov] But certainly such a situation had been predicted long before the first clashes. And after the visit of Mikhail Gorbachev to Rome, a quadrilateral commission was established to resolve these problems.

[Nemira] Yes, and it initially worked very productively. The Vatican at it was represented by Cardinal Miroslav Marusyn, a man well known in Catholic circles. He stated that he would make every effort so that the rights of neither side would be violated. Incidentally, for the two churches where terrible conflicts continue, this commission took the only correct decision. In Staryy Dobrotvor and Sambor, where there were several churches, the smaller church was offered to the Greco-Catholics while the others were to remain Orthodox. But the Greco-Catholic community was not satisfied with this decision. They assume that all Galicia should be Greco-Catholic and all the churches naturally should belong to them.

[Anisimov] It seems to me that here there is a whole cluster of chronic problems. In the first place, the Uniates rebuke the Orthodox for the indignities which were caused to them for the 40 years of Soviet power. Certainly the Orthodox did not share the churches with them, but actually there was nothing to share as there was one church per village and this was not permitted everywhere. Moreover, now in the West they feel that the earth has been scorched after 70 years of communism and they see here a virginland for missionary activity. I

was shown a recent poster on which the Cathedral of St. Peter's in Rome rests on the foundation of many churches, one of which is St. Sofia in Kiev. Generally now the notion is fostered that Catholicism is the West, civilization, culture and flourishing while Orthodoxy is the East, Asiatic, chaos and inevitable communism.

[Nemira] Today in our country it is actually better to be a Catholic. All the former communists without fail are turning to the Catholic faith. For instance, the deputy to the Oblast Soviet Gurksaya at one time even took her children two kilometers to a Russian school (at that time it was advantageous to be Russian), although nearby there was an Ukrainian school. Now she is a zealous Greco-Catholic. Or the deputy from the Nikolayevskiy Rayon Soviet Voloshchak, a lawyer who has written words against the Uniates and the Banderov followers, as the enemies of communism, is now calling for a return to the true faith of our fathers. The situation is the same among the priests. For example, Ivan Trots, a former Komsomol organizer, is now a priest in the Greco-Catholic community calling for the "driving out of the Orthodox devils." And all of this when the Orthodox comprise two-thirds of the faithful in the Lvov Area, and the Greco-Catholics just one-third.

[Anisimov] Do you not agree that the Greco-Catholics have the moral right to rebuke the Orthodox for collaborating with the communists and the KGB? Certainly their church did not "capitulate" but rather simply "self-liquidated."

[Nemira] Let us not forget that Orthodoxy is not just 70 years old but millenia. And it has also had its problems with the nearby neighbors who more than once ruined the churches. And in our days the notorious "collaboration" did not skip any organization. I know this very well from Lvov University, where each two persons were spied on by the third. If the Orthodox, like the Greco-Catholics, had dishonest priests who sullied themselves, then this was a calamity for the community of believers and not a calamity of the faith. Alas, the Orthodox in the eyes of many are linked with Stalinism. But tell me just what the Pope in Rome did when Mussolini came to power in Italy? And if there the tyrant, God forbid, had ruled not for 15 years but rather for 70, who would not have been linked to him?

Or, for instance, the Onufriyevskiy Monastery was an Orthodox one. Now the Greco-Catholics have control. But we could claim it. However, we feel that since they are there, let it belong to them. Although it was precisely in this monastery that Ivan Fedorov lived, and who had been invited by the Ukrainian Orthodox Lvov Fraternity to Lvov in order for him to publish his books. They bought him a printing press, and the first Ukrainian religious books ("Letters of the Apostles") as well as secular ones (a primer and verses) were published at the expense of this fraternity. And now it is really terrible that they again are retouching their history for the sake of fashion. Incidentally, in Kiev but not in the Lvov Area the notion is being fostered that the Ukrainian Army

Units UPA [Ukrainian Insurrection Army] were linked solely to the Greco-Catholics, although this was not the case. The UPA arose not in Volynia and its slogan was neither Rome nor Moscow, and then neither Germans nor Moscow. They were fighting for the freedom of Ukraine. And it is absurd to say that they did this with the blessing of the Roman Pope. Certainly the first "Ukrainian State Flag" flag in Lvov was torn down by the Poles in 1918. And it was Rome which supported the Haller Army which was marching on Lvov.

I am certain that we must not intervene in such disputes as this is an internal church, family matter. But if the members of Parliament declare to all Ukraine that a certain church is bad or dishonest, then this is a disaster for Ukraine, since the elected representatives of the people do not have any notion of deputy ethics. I feel that once you have become a deputy, your affiliation with any confession should be kept secret.

[Anisimov] Otherwise this merely pours oil on the flames.

[Nemira] Certainly so, and recently in Sambor there were three terrible fights. Not only did they storm the church, but they kicked the priests and maimed scores of parishioners. In the photograph you can see the old man Kholyavka, the 88-year-old Olga Zhuk, a young woman Ganna Saran who was injured in the jaw and for three days was not given any help in the Sambor hospital. Even the priests standing before the altar were beaten. In the village of Lyubal, there were no OMON [special security troops], and the municipal police "served" the entry of the Catholics into the church. And on 7 November in Rozdol! I was a witness to the events of that terrible night. Many people were wounded. The Greco-Catholics broke a "Molotov cocktail" on the parishioner Mariya Gudym and set her afire. When the Orthodox rushed to to save her and one woman had even taken off her coat, the Catholics did not allow them to the victim. The face of Granny Yula was black and blue and she had been kicked. In Yavorovskiy Rayon, a drunk Greco-Catholic ran through the village searching for an Orthodox to beat up. And he found a 23-year-old fellow, knifing him 13 times and causing his immediate death! Such intolerance is appearing everywhere. Incidentally, in Rozdol, four persons were brought before the court but so far nothing has happened.

[Anisimov] But the church raids can go on indefinitely. And it turns out that everyone is right. The ancestors of some built the churches and the others repaired them. How can all this be divided up now? It is a misfortune that the Orthodox cannot conduct joint services with the Catholics in the same church.

[Nemira] It seems to me that in such situations, it must simply be recognized that the churches do not belong to the church but rather to the indigenous population of one or another village. There was for us the terrible incident when the Roman Pope in 1938 sold our churches in the Kholm Area to Poland. Naturally the

Poles tore down these churches, the burned them to the ground and used them for building stables and other "utilitarian" structures. No one in Rome, in Canada or in Moscow should be able to sell our lands and churches, and the religious structures should be the property of the villagers who by vote should decide to whom the church belongs. And there should be one stipulation here: all communities should participate in the building of a second church for those left without a religious structure.

However, no one is in any rush to follow this path. For instance, in the village of Soroki in Lvov Oblast, 450 persons voted for the UAPT's. But the church was not turned over to the Orthodox and they have not even been permitted to build. For two years now a court case has been going on involving the community in Lyublen Velikiy. They also are not permitted to build. In the interim the Ukrainian Supreme Council intends to adopt a decision on rehabilitating the repressed churches and accordingly all the churches should become the property of the Greco-Catholics and the UAPT's. The draft of this decree was published in the Ternopol newspapers. As became known, Ternopol Oblast, as a sign of protest, intends not to begin the sowing season, since in many places the Orthodox are deprived of a church. Hence, as never before, we need balanced and wise decisions in order not to provoke violence and actually not to exchange the former Sodom for a future Gomorrah.

From the editors. When the materials were being prepared for publication, NEZAVISIMOST received a statement from a group of people's deputies. It revealed that the Metropolitan Filaret who had sullied himself by collaborating with the KGB and the totalitarian regime, had become an obstacle on the path to the spiritual rebirth of Ukraine. He should leave the post of primate of the Ukrainian Orthodox Church in order for it to keep its unity.

ECONOMIC AFFAIRS

Report on Press Conference Devoted To Kravchuk Economic Policies

92UN1150C Kiev GOLOS UKRAINY in Russian
3 Apr 92 p 6

[Article by Sergey Lavrenyuk, special correspondent of GOLOS UKRAINY: "The Right Program for Russia Is Lethal for Ukraine"]

[Text] Since the Ukrainian Supreme Council passed, after an extended discussion and a vote of 306 in favor and 24 against, the "Principles of a National Economic Policy," supported by the State Adviser A. Yemelyanov and the Ukrainian President L. Kravchuk, in this context one inevitably must mention the Vice Premier Minister V. Lanovoy and his "Plan for Immediate Economic Reforms."

And this is particularly so after the Vice Premier commented on the "Principles" in a rather negative way. For

this reason it would be logical to expect that during the press conference called by A. Yemelyanov, the correspondents would hear accusations directed at the opposing side. However, this did not happen. The state adviser devoted a minimum of time to a discussion of this conflict, having stated, however, that it was not a question of any leadership or an apportioning of seats. Moreover, the Plan and the Principles differ not in overall ideology but rather in terms of content and structure. But this is explained by the fact that the Plan was prepared before Russia had decided to accelerate the freeing of prices. Although, in the opinion of A. Yemelyanov, this document still contains many shortcomings and debatable provisions.

During the press conference chief attention was given to an explanation of the provisions of the Principles since with the secrecy of discussion, the commentaries of both the Ukrainian and foreign correspondents and politicians have given a very distorted interpretation to this document.

"With the present situation in Ukraine, are the flag and seal really independent?" stated Aleksandr Sergeyevich [Yemelyanov]. "Ukraine will keep them if it does not withdraw quickly from the ruble zone. However, if Ukraine is drawn into a new round of price liberalization, this will lead to the complete collapse of the national economy. It is forecast that in the near future in Russia prices for certain types of products and raw materials could rise by four or five fold and respectively up to ten fold in Ukraine. But while such a program for reducing the budget deficit is good and right for Russia, for Ukraine such development of events is simply lethal. If this is the case, then we must leave the road which our neighbor is following. It is our neighbor which controls the emission of money and runs the printing press. Consequently, there is one way out and that is to switch to complete (for now with coupons) cash and noncash circulation. Otherwise Ukraine will be run not by Russia but by the Russian ruble."

In a word, at the press conference, A. Yemelyanov let it be understood that, in rephrasing Brzezinski, it is impossible to move gradually from left-hand to right-hand traffic, in converting in turn first the trolleybuses, then the buses and so forth, so that the program prepared by the group of V. Lanovoy is wrong precisely on this level. We must have a single, simultaneous action. In the opinion of the state adviser, the Principles, with a corresponding increase in musclepower in the form of a package of presidential ukases, can provide a comparatively safe execution of this maneuver.

It is planned that this package will consist of approximately three score documents with the specialists even now at work on them. The work on them will be completed during April but they will be signed as they are required. That is, at the end of the deferment of the new price hike in Russia and primarily for electric power.

As has become known, this is first of all the ukases on converting to full monetary circulation in coupons, on the system of reciprocal payments with the states in the ruble zone, on measures to eliminate the deficit in the trade balance and others. As of now, in the words of A. Yemelyanov, Ukraine is running a negative balance of payments and this is the result of importing from Russia oil, gas, wood and so forth. Ukraine's trade balance deficit with the CIS nations is almost 2.5 billion dollars and this is some 6-7 percent. Incidentally this figure has reached 11 percent for Russia. However, Ukraine has a real chance of altering its dependence on Russia by changing the structure of the reciprocal payments and due to other measures.

As for the mechanism of reciprocal payments, here now several approaches are being worked out simultaneously. According to one of these, it is proposed that the Russian and Ukrainian enterprises trade between themselves with the intermediary activity of the commercial banks, exchanging, when necessary, rubles for coupons (grivny) or, conversely, at an established rate. But for this it is essential to conclude an interbank agreement which the banks could use. Yemelyanov feels that the realistically thinking Russian politicians and economists would favor this step as such a solution to the problem would not harm any of the sides.

What can Ukraine expect by following this path? There will not be an emergency economic situation, said A. Yemelyanov, but it will be necessary to be patient for some time. If the counteractions are not of very harsh forms, then we shall emerge from this situation normally. Inflationary processes will continue, even if they are greater than in Russia, they are our own. Then Ukraine will be able to control the emission of money independently and ultimately rectify the situation. As for the international organizations, the state adviser assumed that they would support the Principles without fail. Because, for example, they cannot help but support a new approach to the old question of state orders. At present the Ukrainian state is becoming a normal market partner, that is, if there is money, it orders goods, and if not, then it should not impede things.

However Yemelyanov might stress that we must stop the mere stacking up of programs (since up to now three have appeared over the name of Fokin and one over the name of Lanovoy), certain fears may arise that this will be put on the same stack. Certainly it is up to the premier and vice premier to carry it out. Incidentally, while V. Lanovoy is still criticizing the Principles, V. Fokin has already agreed "to fight and implement them." But since, in the words of the same Yemelyanov, no major changes are planned in the executive structure, then won't they themselves become mere stackers? As the saying goes, you cannot put new wine in old bottles.

Chairman of Export-Import Bank on Foreign Trade Bank Bankruptcy

92UN1107A Kiev VECHERNIY KIYEV in Russian
13 Mar 92 p 2

[Interview with Sergey Aleksandrovich Yaremenko by Larisa Troyan; place and date not given: "Keep Your Currency in a Sock"]

[Text] The chairman of the board of the State Export-Import Bank of Ukraine, Sergey Aleksandrovich Yaremenko, answers our correspondent's questions.

[Troyan] The presidential ukase on the creation of your bank includes in its structure the entire system of the departments of the Foreign Trade Bank [Vneshekonombank]. What does this mean, "inclusion." You are located in the premises of a former branch office of the USSR Vneshekonombank, and as I understand it, even the personnel are mainly the same as before...

[Yaremenko] Nonetheless, our bank is not the successor to the Vneshekonombank. Because if that were the case, like our "primogenitor" we would be declared bankrupt with all the consequences stemming from that.

[Troyan] As a result of the bankruptcy of the USSR Vneshekonombank Ukraine has lost hundreds of millions of dollars. Do you think that any of this sum can be retrieved?

[Yaremenko] First, let me make a clarification. It is a question of actual bankruptcy but not legal recognition of this fact by world financial circles.

[Troyan] In other words, a living corpse?

[Yaremenko] I do not think that everything is quite so gloomy. When the Vneshekonombank closed its accounts it thus blocked the export-import operations of enterprises and organizations in Ukraine. The priority task for our bank is to renew the international accounts of enterprises in Ukraine within a system that includes nine branch offices in oblast centers. To this end we must restore the hard currency balances in the accounts of legal entities and individuals and determine what part of the resources of the former Vneshekonombank is due to us, and finally, resolve the problem of hard currency dollars and the assets and liabilities of the former Union, or, more accurately, the former Socialist Republic of Ukraine.

It must be candidly stated that this is not a simple matter. Let us start with the fact that the Vneshekonombank was a monopolist in the sphere of international accounts, and even if the assets of any enterprises in Ukraine were deposited with the Agroprombank or the other commercial banks, even in that case it was a question of correspondent accounts with the Vneshekonombank. As all roads lead to Rome, so previously all currency "streams" and "rivers" flowed into the Vneshekonombank. I hope that one fine day we shall

nevertheless find out about the residues of our enterprises' hard currency assets. We are now engaged in work that in many ways is like an investigation. But it will be even harder to deal with the export earnings of those enterprises that were subcontractors under the terms of contracts with foreign trade associations. For these earnings were posted to the accounts of the associations and not divided up between the enterprises of the former USSR that are now located in different states.

[Troyan] It is like an adventure story: It is necessary to find the buried treasure when all you have is a coded map...

[Yaremenko] Almost. Only it is better without the adventure. In principle, it is possible to find the hard currency assets even in this case, if an enterprise has reliable information on the terms of the contracts concluded and their terms.

[Troyan] Life does not stand still, and the termination of activities by the Vneshekonombank has not also terminated the activity of enterprises in Ukraine. As before they are producing output and selling it abroad...

[Yaremenko] I understand you. I would insistently advise clients of the former Vneshekonombank to apply to the State Export-Import Bank of Ukraine. As of today 17 correspondent accounts have been opened with the leading banks in Europe in virtually all European currencies. Detailed information for business people can be obtained in our correspondent accounts department.

Solid experience has been gained in handling international bank accounts of the former Vneshekonombank branch office, so that clients, old and new, can rely on us. Incidentally, I can report that the first \$15 million have been deposited in our accounts.

[Troyan] My congratulations. But as far as I am aware, some enterprises have preferred to leave the hard currency they have earned with their foreign partners, thus making a protest against the predatory domestic tax system. Is this happening now?

[Yaremenko] That is a question that should be asked of the government. If it succeeds in generating the interest of industrialists and entrepreneurs through economic methods then hard currency will appear.

[Troyan] What can you say about Ukraine's hard currency fund?

[Yaremenko] First of all it is essential to know, even approximately, what the plan is for receipts of hard currency for exports, and then determine how much of that sum will be allocated for the Cabinet of Ministers's hard currency fund.

[Troyan] Sergey Aleksandrovich, could you comment on the fact that a few weeks ago foreign experts who are living and working in Kiev changed only \$200 each. The paradox is that we need hard currency, but when they

offer it we refuse them. What has caused this, to put it mildly, astonishing restriction.

[Yaremenko] Lack of rubles. Alas! there is no cash in the banks. This problem must be resolved at the interstate level.

[Troyan] And do foreigners use the karbovantsy coupons?

[Yaremenko] Reluctantly, I would say.

[Troyan] And a final question: Can I open an account with you?

[Yaremenko] No, you cannot. The question of accounts for individuals must be postponed until the Ukrainian Supreme Soviet passes a law on currency regulations. The laws are not keeping abreast of life. The way it is here with us is that we cannot open an account for a citizen because it has not been established what operations can be handled for him. There is no normativ base. So people who have dollars must give them to people who have no problems with rubles. But I believe that these confused times will soon end.

AUTHOR'S NOTE

I want to believe that our government will be able in the near future to resolve the questions pertaining to currency regulations. You will agree that now, at the end of the 20th century, even Plyushkin would not have brought himself to keep his "greenbacks" in a sock. It is not profitable. Nor is it for those who have "greenbacks." Nor for those who do not, but to make up for that we do have a national (does this mean that it is ours, the citizens of Ukraine) export-import bank that is called upon to concern itself with the growth and increase of the state's wealth. Is this not so?

Energy Official on Proposed Price Increase

92UN1105A Kiev PRAVDA UKRAINY in Russian
3 Apr 92 p 1

[Article by Aleksandr Maliyenko: "A Ruble for a Kilowatt-Hour?"]

[Text] Recently the phone has not stopped ringing in the editorial offices with readers calling about the increase in prices for electric power. The concern is understandable as for many years electric power has been supplied to us for a purely symbolic amount. Now it is about to be turned into an expensive pleasure.

I asked the Ukrainian Minenergo [Ministry of Power] to answer the questions raised by our readers. Tentative information (the new prices have not yet been officially approved) was provided by the Chief State Inspector at the Ukrainian Power Inspectorate, Vitaliy Voytov:

"For city dwellers a charge per kilowatt-hour of about one ruble is planned and for the rural inhabitants, 70

kopecks. In apartments equipped with permanent electric stoves, the cost of electric power will be one-half the rate. The price will be two rubles for industrial enterprises, social sphere facilities and electric transport.

"It should be pointed out," continued Vitaliy Leonidovich [Voytov], "that such an increase in the price is not any whim of the power workers. Up to 80 percent of the cost of electric power is comprised of the amount of fuel and in the first quarter this had to be purchased at contractual, at market and at exchange prices as well as be received under export. As a result, the cost of one kilowatt-hour is approximately one and a half rubles."

As our readers know, the new rate has still not been put into effect on 1 April. At the Ukrainian Ministry of the Economy, the reason for the "delay" was explained to us. They said that Russia was still holding back from an increase in prices for the power and it was possible albeit temporarily to maintain the former rates for electric power. Would this be long?

Stalin-Era Machine-Tractor Station Concept Reactivated

92UN1150B Moscow IZVESTIYA in Russian 13 Apr 92
p 2

[Article by IZVESTIYA Correspondent Viktor Filippov from Dnepropetrovsk Oblast: "Ukraine Will Restore Farming, Using the Experience of the Stalinist MTS"]

[Text] The first machine-tractor station [MTS] in Ukraine has been opened for farmers in Novomoskovskiy Rayon of Dnepropetrovsk Oblast.

The increased prices for spare parts and services has left the rayselkhoztekhnika [rayon agricultural equipment administration] here virtually without any work as now the farms patch up the tractors and combines with their own forces since that is cheaper. However there is always a good side to the bad. The impoverished monopolists, having ceased talking to the farmers in a condescending manner, gained an unexpected advantage from them. The Chairman of the Novomoskovskiy Farmers Association, Mikhail Svenko, proposed that the rayselkhoztekhnika open a machine-tractor station in an empty production building for serving the independent peasants.

"I am convinced," said Mikhail Svenko, "that the farmer has no way alone to purchase a complete range of equipment, since this requires enormous expenditures which are beyond our pocketbook. Just look: last year on my field with an area of 21.4 hectares, a DT-75 tractor was operated three days, a Don combine two hours and 40 minutes, a seed drill for eight hours and a plow for three days. The use factor for the equipment is less than 1 percent. For this reason it would be better to return to the experience of the MTS from which the kolkhozes without equipment could conclude contracts and pay for the work in money and in kind. Incidentally, at the MTS the equipment use factor reached 90 percent, while now

on the kolkhozes and sovkhoses in our oblast, each of which has an average of 56 tractors and 13 combines, the factor is below 30 percent. In my mind, it would be wise to establish such MTS in all the rayons of Ukraine for servicing the farmers. The farmer would purchase only that equipment which he needs on a daily basis such as a light tractor, a truck, a feed distributor and trailers.

The representative of the Ukrainian President in Dnepropetrovsk Oblast Pavel Lazarenko has turned over 10 new YuM3-6 tractors costing 283,000 rubles to set up the farmer MTS. These machines have been purchased with a full set of mounted implements using money from the oblast agriculture and food administration which Pavel Lazarenko managed until recently. Such generosity can

be explained not so much by the respect of the President's representative for the free grain growers as by the duty to carry out the reforms unswervingly, including a land reform.

At present Ukraine is as concerned for the fate of the man with a plow as for the man with a gun. Recently here a number of legislative enactments has been passed and these have returned to the villager the right of private land ownership eliminated in the Stalinist collectivization and has obliged the government to be concerned for the individual peasant requirements of the farmers on equal footing with the needs of the kolkhozes and sovkhoses.

MOLDOVA

Rutskoy Visits Dniester; Ministers Mediate

92UNI149A Moscow NEZAVISIMAYA GAZETA
in Russian 8 Apr 92 p 3

[Article by Igor Rotar: "Rutskoy's Arrival in the Dniester Region Inflamed the Situation: But the Negotiations of the Four Ministers Took Place Nonetheless"—use of Moldavia as published]

[Text] The four-party negotiations of the foreign ministers of Russia, Ukraine, Moldova, and Romania held on 6 April in Chisinau in connection with a settlement of the Dniester conflict took place under difficult conditions. The visit of Russian Vice President Aleksandr Rutskoy sharply inflamed the atmosphere in Moldova. People with placards reading "Down With Russian Imperialism" and "Cossack, Go Raid at Home" demonstrated opposite Hotel Kodra, where the Russian delegation was staying. The appearance, in circumvention of Chisinau, of the Russian vice president in the Dniester region and his statement at a mass meeting in Tiraspol that "the Dniester region was, is, and will be" evoked Chisinau officialdom's sharp rejection: Rutskoy's speech concerning the unrecognized republic, which has already become renowned, has been broadcast on Moldavian radio repeatedly as graphic proof of Russian imperialism.

Despite the nervous atmosphere, the representatives of the Four found it within themselves to sit down at the negotiating table. The Russian side presented the following initiatives: Moldova, Romania, Russia, and Ukraine should be the guarantor of respect for the sovereignty and territorial integrity of the Republic of Moldova; the four states should work out a mandate for the 14th Army, whose role should amount to the maintenance of peace and neutrality; the right of the Dniester region to self-determination in the event of a change in the state status of Moldova. The third Russian proposal evoked the greatest objections on the part of Chisinau and, to some extent, Bucharest. As Oazu Nantoy, director of the Moldovan presidency's Center for Policy Analysis, told your NEZAVISIMAYA GAZETA correspondent, "self-determination based on a phobia is a nonsense. There are rules of international law formulated on the basis of torturous experience over centuries. If we attempt to interpret them too freely or adapt them too drastically to our 'Soviet man' reality, this could entail unpredictable consequences. We must not invent something new. There is a mass of international structures—both of the CSCE and the United Nations—and it is our job to ensure that the provisions which exist throughout the world begin to operate here."

Ultimately the Russian minister's proposal concerning the legal status of the Dniester region was adopted in a toned-down and vaguer form: "The ministers will continue consultations on the most effective ways of ensuring human rights, including the right of the

national minorities, in accordance with the provision of the Universal Declaration of Human Rights and international human rights pacts, throughout the territory of the Republic of Moldova, in its left-bank areas included, and also other safeguards which could be dictated by the development of events."

The parties also advocated the creation of a free economic zone in the Dniester region, thereby approving the recent decision of the Republic of Moldova Parliament.

Kozyrev's proposal concerning the mandate of the 14th Army was transformed in the declaration as follows: "The participants in the meeting note the impermissibility of the enlistment of the 14th Army in the conflict and in the internal affairs of the Republic of Moldova. The foreign ministers of the Republic of Moldova and the Russian Federation declared their intention to negotiate for the purpose of determination of the legal status of this army."

The meeting of the representatives of Bucharest, Kiev, Chisinau, and Moscow with Igor Smirnov, president of the Dniester Moldavian Republic, Grigoriy Marakutsa, chairman of the Dniester parliament, and Yuriy Netkachev, commander of the 14th Army, contributed to the formulation of the joint solution also. Together with the representatives of the Dniester region the high contracting parties reached the following agreement: to separate the warring parties and create a mixed commission with the participation of representatives of the four countries for the implementation of decisions connected with a cease-fire and the disengagement of the sides.

The greatest interest was evoked by the measures which the leaders of the four countries are planning to adopt to eliminate the conflict. These include "an immediate, all-embracing cease-fire, beginning at 1500 on 7 April 1992, and the subsequent disengagement of the armed formations involved in the conflict; assurance by the command of the 14th Army and the armed forces of the Republic of Moldova of conditions precluding the access of either antagonist and also of the civilian population to arsenals and all other places of the storage of weapons, military equipment, and munitions; prevention by the states participating in the meeting of the use of their territory for transit in any way to the conflict zone of armed formations and also weapons, military equipment, and munitions; joint renunciation by the Russian Federation, Romania, and Ukraine of all actions which might be seen as direct interference in the conflict; creation of the necessary conditions for the return of refugees and the rendering of humanitarian assistance to persons who have suffered as a result of the conflict" and so forth.

The parties resolved to coordinate their efforts until the Dniester conflict is completely eliminated. The Four declared their desire to meet again.

Foreign Ministers' Mediation Effort Noted
92UN1143A Moscow NEZAVISIMAYA GAZETA
in Russian 7 Apr 92 pp 1, 3

[Aleksandr Tago report: "Dniester Region: Atmosphere Is Red-Hot"]

[Text] **Foreign Ministers of Four States Attempt To Find a Solution**

There was no change last weekend in the situation on the Dniester River, which this spring has become the front line. The armed clashes continued.

On Sunday the Supreme Security Council of Moldova presented a new peace initiative. But Chisinau's new proposals were rejected by the leadership of the Dniester Republic since they "did not pursue the goal of a cease-fire but merely the disbandment of the PMR [Dniester Moldavian Republic] authorities. And, consequently, this state formation itself." Chisinau makes no secret of the fact that it intends to do everything to "restore the legitimate organs of state power of the Dniester region." This was stated once again at a news conference by Konstantin Oborok, deputy prime minister of Moldova. He emphasized that the leadership of Moldova recognized that the measures being implemented in respect to imposition of the state of emergency could entail new casualties and clashes, but, "unfortunately, there is no other way to protect the citizens of the Dniester region and bring order to bear."

The numerous attempts of the command of the 14th Army to act as a mediator proved in vain also. The belligerents agree to such mediation in principle, apparently. But as soon as it becomes a question of the adoption of specific measures, all proposals are rejected. In addition, Galina Andreyeva, leader of the women's organization of the Dniester region, and her supporters are making desperate attempts to get hold of the servicemen's weapons and pull the army into the conflict on their side. The leadership of Moldova, in turn, having agreed with Yeltsin's decree on the transfer of the 14th Army to the jurisdiction of Russia, is repeating incessantly that any intervention in the conflict by units of this army will be regarded as Russia's naked aggression against independent Moldova. This was said clearly also to General Boris Pyankov, deputy commander of the armed forces of the CIS, who had come to Chisinau, and in numerous government statements also.

The unplanned arrival in Tiraspol, bypassing Chisinau, on Sunday of Russian Vice President Aleksandr Rutskoy served as an excuse for emphatic new protests on the part of the government of Moldova. One statement saw Rutskoy's visit to Tiraspol as "unconcealed support for the separatists strengthening their unsubstantiated claims in a period when every effort is being made both internally and externally, with the participation of the Russian Federation included, to find a political solution to the conflict in the left-bank areas of Moldova." Chisinau officialdom kept a tense watch on the visit of

the vice president of Russia to Tiraspol. The statement heard from his lips that "the Dniester region is and will be" and that "the question of recognition of the Dniester Republic will be raised at the Congress of People's Deputies of Russia" made the atmosphere red-hot. A four-party meeting of foreign ministers of the Russian Federation, Ukraine, Moldova, and Romania began in this situation in Chisinau on Monday. The antagonists are pinning their hopes on the leaders of the foreign policy departments of the states involved in the Dniester conflict succeeding in at least stopping the senseless bloodshed. The foreign minister of Russia, having interrupted his tour of the Transcaucasus and Central Asia, was upon his arrival at Chisinau airport as brief as it was possible to be. But his sparse words to the effect that Russia would be guided at the meeting by the documents on this matter signed earlier in Kiev and Helsinki imparted confidence and optimism to Chisinau officials. In confirmation of this the foreign ministers of Russia and Moldova signed on Monday morning, prior to the commencement of the four-party meeting, documents on the establishment of diplomatic relations and announced the opening as soon as possible of embassies in Chisinau and Moscow.

In the opinion of many political observers, however, the negotiations will hardly be crowned with success in the present complex situation. On the eve of the meeting national television presented viewers with a sensational report about the "dispatch to Moldova by Russian security services of mercenaries participating on the side of the separatists." As confirmation, the "Mesager" ("Messenger") news program carried an interview with Vyacheslav Krylov, a native of Ulyanovsk Oblast. The interviewee said that, having been released early from prison, where he had served 21 years altogether, he and another four prisoners were given civilian clothes, money, a bottle of vodka each, and tickets to Tiraspol. He said also that volunteers for Tiraspol from the ranks of prisoners raised in orphanages are being recruited by the KGB of Russia.

At the same time, on the other hand, a campaign whose purpose is to demonstrate that Moldova is being rendered active military assistance by Romania is being conducted just as actively in Tiraspol. Despite the numerous statements of the Romanian leadership denying this, the leaders of the Dniester region have no doubt that Romania is rendering assistance in the form of equipment and, perhaps, manpower also. Tiraspol is using as the final trump card here the appeal of the Ministry of Internal Affairs of Moldova to journalists not to divulge the names of police officers killed until they have been specified in official Moscow organs.

When this item was being written, the meeting of the ministers of the four states was only just beginning.

Dniester Region Leaders Discuss Statehood

92UN1149B Moscow NEZAVISIMAYA GAZETA
in Russian 8 Apr 92 p 3

[Aleksandr Tago report]

[Text] According to Galina Sidorova, adviser to Andrey Kozyrev, in the course of the consultations the Dniester leaders were less categorical on the issue of the statehood of the Dniester Republic. At the same time, however, they insisted on obtaining firm guarantees that the population of the Left Bank of Moldova would not be a part of a Romanian state. A paradoxical situation, the essence of which is that similar assurances are the wish of the majority of the population of Right-Bank Moldova also, was discussed in the lobbies. Oazu Nantoy, adviser to the president of Moldova, who is a member of the

group of experts, told journalists that in this case the sole guarantee could be the building of an independent democratic state of Moldova in which, as in any other civilized country, account would be taken of the opinion of a majority of the population. And today the actual situation is such that the majority of inhabitants of Moldova see it in the future as an independent and sovereign state. In this situation political observers do not rule out the possibility of a referendum in the republic on the future of the state of Moldova. It would then be possible to rely on specific data, which, in turn, would testify to the desire or reluctance of the population to unite with Romania. But it can be said today even that if Moldova's economic relations with the former Union republics deteriorate, economic integration with Romania would be the sole possible option for survival.

KAZAKHSTAN

Azat Movement Statement of Purpose

92US0368A Alma-Ata ZHAS ALASH in Kazakh
18 Dec 91 p 2

[Article by Qanaghat Zhukesh, in the name of the Kazakhstan "Azat" Republic Party and the Semey Oblast Division of the "Azat" Civil Movement: "What Do We Want?"]

[Text] The unheard of, and previously unexperienced, harsh events which descended upon Kazakhstan during the era of Soviet rule beginning in 1917 exceeded, in their destructive power, what was suffered during the Zhongghar Invasions and as a result of the planned russification of czarist colonialism. It is well known that the Kazakh people lost a million during the time of the 1921 famine alone. The Kazakhs again suffered great losses during the collectivization of the people's economy, and during the crude massacre of the aforementioned years of 1929-1932, and were deprived of 52 percent of the Kazakh population by death, and 18 percent alive. These facts have become clear only recently based upon data of a 1937 people's census. At the time of the next great disaster in 1936, the Kazakh people were deprived of their intellectuals. With those shot and those who were tortured and killed in various concentration camps, a total of 66,000 Kazakh intellectuals were destroyed. A large portion of the newly established national intelligentsia was persecuted as "nationalist" during the 1920s. Some of those who returned safe and sound from the war of the 1940s were persecuted again in the 1950s. Representatives of the leading national intelligentsia who have opened their souls to the people were unable to obtain the right to do productive work in their homeland until the middle of the 1980s. Some were victims of the Communist terror.

The uninterrupted process which had begun with the formation of the Kazakhs as a people back in the 15th century gradually abated in the years prior to 1921, and suffered, as we know, a complete interruption during the period of Soviet rule. In particular, there was evidence during the quarter century comprised by the years 1960-1985 that the socio-historical life of the Kazakhs had entered upon the path of national disintegration.

When the so-called Virgin Lands Campaign began in the middle of the 1950s, the Chinese government agreed to the migration of 600,000 Kazakhs. When the USSR leadership refused and poured millions (including a lot of trouble-makers) into Kazakhstan from every corner of the nation, Kazakhs had before them the prospect of becoming a national minority in their own land. At the bottom of the 1960s resolution on "Transfer of Agricultural Cadres to Party and Soviet Organs" was the long-range goal of getting the scientific and technological intelligentsia, who had an inkling of the social changes taking place, out of the way, and of putting gullible and

intolerant individuals into positions which should by rights have gone to Kazakhs. This was done to fragment leading cadres.

During the 1970s the slogan of "Let Us Increase the Number of Sheep to 50 million" was advanced in support of the broadly developed campaign "to keep Kazakh young people in rural areas." To this Kazakh young people were supposed to "answer" that "50 million is no limit." There was the intention that in the process of carrying out this task, children who had completed Kazakh schools were to go chase after the sheep with their classmates and schools, that poor professional qualifications of cadres would be achieved due to their stretching out their education, and that at the same time Kazakh schools would be weakened by having shepherds study for pedagogical teaching posts through "external study." All in all, it was intended that Kazakhs would not leave the village, and that they would be eliminated from the ranks of those managing industry and the economy. Who can say that this was not a sly and intentionally deceptive policy?

As a result, the Kazakh people have no working class, no technological and industrial intelligentsia which can be taken as an organized social force in the political arena. The Kazakh mother tongue has been relegated to the sidelines, the psychology of common national characteristics previously peculiar to the nation has been redefined. Culture only satisfies the demands of village elders, most Kazakhs have been concentrated in regions of ecological disaster, and Kazakhs have become a homogenous rural people. This is where the Kazakhs have ended up due to Communist Party leadership during the years of Soviet rule.

None of this has arisen due to the weakness of the Kazakh people, due to their genetic inferiority or due to some other natural deficiencies. The fact that the Kazakh people are in such sad circumstances is the result of a Stalinist-Brezhnev administrative apparatus aimed at destroying the Kazakhs as a people, and of a gigantic social experiment carried out jointly by black political, scientific, military and other forces of the state.

If the Soviet regime in power hitherto has led the people down a blind alley, we, who have taken political power into our hands, now have the duty to bring the people back out again. This question will in the future be decided at the level of the conscience and intelligence of the President of Kazakhstan, of the Supreme Council of Kazakhstan, and of each of its elected deputies.

The Kazakh people have entered a very responsible, very decisive period of direct relevance to its fate in years to come. We think that this period should be one connected with the process of privatization as ownership over the economy is taken from the state. The Kazakh people, whose share of heavy industry in the cities is small, and who lack specialized workers, engineering and technical cadres, will remain divorced from the major sectors of the people's economy, from heavy industry, to be sure.

and in some regions from transport and construction, when the process of removal of the economy from state control and privatization has been carried out. This will doubtless result in further destruction of the demographic balance, further restriction of the process of urbanization among Kazakhs, in the emergence of new barriers to the formation of a working class, and the Kazakhs becoming a people without a technical and industrial intelligentsia, one that will be a homogenous rural people forever, and, as a result, a people utterly deprived of future development as a people.

Bearing in mind these difficult circumstances which inflict the Kazakh people, the President of Kazakhstan and the Kazakhstan Supreme Council must carry out the below-mentioned measures without delay.

—A law on migration must be ratified in the near future to guarantee that demographic conditions which have taken shape in Kazakhstan are brought under control.

—The Republic of Kazakhstan Law "On Removal from State Ownership and Privatization" must be reviewed and additions and corrections added to prevent the Kazakh people from being excluded from some city industry, transport and construction sectors. The additions and corrections must embrace the following:

—When industrial, transport and construction sectors have been privatized, it must be guaranteed that at least 50 percent of those owning the industries will be representatives of the local nationality. To achieve this proportion, possibilities must be created for rural people to become owners of city industries. For this purpose, the coupons and specific financing of rural people must be made part of the accounting of privatized industries in the cities, and it must be made possible for rural people to become part of the associated owners of the industries. We should strive to create conditions for members of industry associations, at a given time, to either become a worker at the industry or to obtain housing or other benefits through that industry.

—Bearing in mind the need to guarantee food and light industry establishments economic management and raw materials, we should see to it that agricultural collectives are given to private owners.

—We should lengthen the privatization period as middle and major industries are taken from state control.

—The pace of privatization should be altogether slow in the northern oblasts.

—The coupons and specific financing of Kazakhs living in the cities should be directed towards privatized industries. Other ways must be sought for resolving the housing question for them.

—Through the mass information media (especially those in the Kazakh language), every aspect of the process of removal from state ownership and privatization is to

be made known to the greatest degree possible. Propaganda should be carried out to show members of the local nationality as greatly involved as equal owners of privatized industries.

—The President of the Republic of Kazakhstan should issue as soon as possible a special edict on involvement in preparation of engineering-technical and specialized worker cadres that are knowledgeable, and have good professional training, from among local inhabitants, and of scientific cadres to guarantee scientific and technological progress. Authorities involved in formation of a national technical and industrial intelligentsia should be involved in this effort completely.

The Kazakh people are not asking in this case what they lack from others, but are demanding the return of what is their own. The Kazakh people are not asking this as beggars, but are demanding return of the right to be master of their own land, their own riches. The view taken of the fate of the Kazakh people by every deputy participating in the Kazakhstan parliament, including representatives of other nationalities, will clarify the view of the Kazakh people towards the parliament so far, and towards representatives of other nationalities.

TAJIKISTAN

TV Relays Presidium Review of MVD Actions

92US03544 Moscow: NEZAVISIMAYA GAZETA
in Russian 27 Mar 92 p 3

[Article by Oleg Panfilov: "Tajikistan"]

[Text] On the evening of 25 March, Tajik television presented a taped broadcast of over two and a half hours of a session of the Presidium of the republic Supreme Soviet. The unprecedented event is related to the fact that the Presidium was examining information given by the commission checking into activity of the Tajikistan Ministry of Internal Affairs [MVD]. Not delving into professional activities of the ministry, commission members devoted their presentations to outlining non-work-related transgressions of MVD leaders of various ranks. Specifically, Minister Mamadayezy Navdzhuvanov was accused of purchasing an automobile, owning dachas and three apartments, and connivance in the sale of official vehicles to his associates. Safarali Kendzhayev, chairman of the Supreme Soviet, who just in November of last year served as transportation procurator, conducted the session and did not acknowledge a single argument stated in the minister's defense. In Navdzhuvanov's opinion, the information compiled was prejudiced and comprised of distorted facts. Members of the Presidium did not even get to familiarize themselves with the information until half an hour prior to the session. And although previously the Presidium had never made any effort to advertise its actions, limiting itself to brief information in the press, this occasion was mindful of a court session. One can understand the

reason for the broadcast from the statement of the internal affairs minister, who for the first time on television accused Kendzhayev of discrimination against mountain dwellers (Navdzhuvanov is a native of Gorno-Badakhshan Autonomous Oblast) in a deliberately conducted policy of the republic leadership degrading to people originating from Pamir. Taking into account the circumstance that Gorno-Badakhshan residents have been trying for four months now to attain recognition of the oblast as an autonomous republic, the broadcasting of this session and Navdzhuvanov's accusation against Kendzhayev only enhance the separatist sentiment of Pamir people.

On the morning of 26 March, a group of young Pamir residents, about 500-600 people, gathered outside the building which contains President Nabyev's residence. They had drawn up an appeal to President Nabyev containing the demand for a public apology by Kendzhayev who, in the view of those who authored the appeal, had offended all Pamir people.

TURKMENISTAN

Draft Republic Constitution

*Ishkhabad TURKMENSKAYA ISKRA in Russian
19 Mar 92 pp 1-2*

[Draft Constitution of Turkmenistan]

[Text]

We, the people of Turkmenistan,
taking our inalienable right to self-determination as our basis,
proceeding from responsibility for the present and future of the Fatherland,
expressing faith in the precepts of our ancestors to live in unity, peace and concordance;
having the goal of safeguarding national valuables and interests, and reinforcing the sovereignty of the Turkmen people;
guaranteeing the rights and freedoms of every citizen, and striving to insure civic tranquility and national concordance, and to confirm the principles of popular sovereignty and a law-governed state,—
do adopt this Constitution—the Fundamental Law of Turkmenistan.

Section I. Principles of a Constitutional System

Article 1. Turkmenistan is a democratic, law-governed, secular state in which state government is in the form of a presidential republic.

Turkmenistan enjoys supremacy and full power over its territory, and it independently pursues domestic and foreign policy. The state sovereignty and territory of Turkmenistan are one and indivisible.

The state defends the independence and territorial integrity of Turkmenistan and the constitutional system, and it insures lawfulness and observance of law and order.

Article 2. The people are the bearers of the sovereignty of Turkmenistan and the sole source of its state power. The people of Turkmenistan exercise their power directly or through representative bodies.

No faction of the people and no organization, structure, or individual has the right to appropriate power in the state.

Article 3. In Turkmenistan the individual is the most valuable entity of the society and state.

The state is responsible to the citizen, it insures creation of conditions for free development of the personality, and it defends life, honor, merit and freedom, personal inviolability, and natural and inalienable rights of a citizen.

A citizen is responsible to the state for fulfillment of obligations imposed upon him by the Constitution and laws.

Article 4. The state is based on the principle of separation of powers—legislative, executive, and judicial, which exercise their authority independently, interacting with, checking and balancing one another.

Article 5. The state and all of its bodies and officials are bound by the legal and constitutional system.

The Constitution of Turkmenistan is the supreme Law of the state, and the rules and principles confirmed by it have direct action. Laws and other legal acts which contradict the Constitution do not possess legal force.

Legal acts of state bodies are published for the purpose of universal public disclosure, or they are made public by other means, with the exception of those containing state or other secrets protected by law. Legal acts affecting the rights and freedoms of citizens that are not universally disclosed to the public are void from the moment of their adoption.

Article 6. Turkmenistan recognizes the priority of universally recognized rules of international law, it is a full-fledged subject of the world community, and it adheres in foreign policy to the principles of peaceful coexistence, rejection of the use of force, and noninterference in the internal affairs of other states.

Article 7. Turkmenistan possesses its own citizenship. Citizenship is acquired, maintained, and forfeited in accordance with the law.

No one may be deprived of citizenship or the right to change citizenship. A citizen of Turkmenistan may not be extradited to another state or exiled from Turkmenistan, or restricted in his right to return to the motherland.

Citizens of Turkmenistan are guaranteed defense and protection of the state both in Turkmenistan and beyond its borders.

Article 8. Foreign citizens and persons without citizenship enjoy the rights and freedoms of citizens of Turkmenistan unless established otherwise by law.

Turkmenistan grants the right of asylum to foreign citizens persecuted in their countries for political, ethnic, or religious convictions.

Article 9. Property is inviolable. Turkmenistan confirms the right of private ownership of the implements of production, land, and other material and intellectual valuables. They may also belong to associations of citizens and to the state. The law established equal protection and equal conditions for development of all kinds and forms of ownership.

Confiscation of property is prohibited except in the case of property acquired by means prohibited by law.

Compulsory compensated alienation of property is permitted only in cases foreseen by law.

Article 10. The state is responsible for safeguarding the national historical and cultural legacy and the natural environment, and for insuring equality between social and ethnic communities, it encourages scientific and artistic creativity and dissemination of its results, and it promotes development of international ties in science, culture, child rearing, and education.

Article 11. The state guarantees the freedom of religions and creeds and their equality before the law. Religious organizations are separate from the state and cannot perform state functions. The state educational system is separate from religious organizations, and it is secular in nature.

Every person is entitled to independently determine his attitude toward religion, to confess any religion alone or together with others or not to confess any religion, to express and disseminate convictions having to do with religious attitudes, and to participate in the performance of religious rites, rituals, and customs.

Article 12. Turkmenistan possesses its own armed forces for the purposes of defending state sovereignty.

Article 13. Turkmen is the state language of Turkmenistan.

All citizens of Turkmenistan are guaranteed the right of using their native language.

Article 14. Symbols of Turkmenistan as a sovereign state include its state flag, seal, and anthem.

The flag, seal, and anthem are established and safeguarded by law.

Article 15. The city of Ashkhabad is the capital of Turkmenistan.

Section II. Basic Rights, Liberties, and Duties of Man and Citizen

Article 16. Human rights are inviolable and inalienable.

No one has the right to deprive an individual of any rights and freedoms or to restrict his rights except in accordance with the Constitution and the law.

The enumeration of certain human rights and freedoms in the Constitution and in laws cannot be construed to deny or disparage other rights and freedoms.

Article 17. Turkmenistan guarantees equal rights and freedoms of citizens, as well as equality of citizens before the law, regardless of nationality, origin, property and official status, place of residence, language, religious attitudes, political convictions, and party membership.

Article 18. Men and women possess equal civil rights in Turkmenistan. Violation of equality of sexes incurs liability before the law.

Article 19. The exercise of rights and freedoms must not violate the rights and freedoms of other persons and the requirements of national morality and public order, and it must not damage national security.

Article 20. Every person possesses the right to life. No one may be deprived of life. Capital punishment may be prescribed only on the basis of a sentence of the court in the form of an extraordinary measure of punishment for the gravest crimes.

Article 21. A citizen cannot be restricted in his rights or deprived of rights belonging to him, or convicted or punished except in precise correspondence with the law, and by order of the court.

No one may be subjected to torture and to cruel, inhumane, or degrading treatment or punishment; nor can he be subjected to medical or other experiments without his consent. A citizen may be arrested only in the presence of grounds indicated precisely by law, on the basis of a court order or with the sanction of a procurator. In cases in which delay cannot be tolerated and which are precisely indicated in the law, state agencies empowered to do so have the right to temporarily detain citizens.

Article 22. Every citizen has the right to support from the state in obtaining improved housing and in carrying out private housing construction. A home is inviolable. No one has the right to enter a home or otherwise violate the inviolability of a home against the will of persons living in it, or without legal grounds. Defense of the home against unlawful transgressions is the right of a citizen.

No one may be deprived of a home except on grounds established by law.

Article 23. Every citizen has the right of protection against arbitrary interference in his personal life, as well as against transgressions upon the privacy of correspondence and telephone and other communications, and upon his honor and reputation.

Article 24. Every person has the right of free travel and selection of a place of residence within Turkmenistan.

A restriction on travel in certain territories or in relation to certain individuals may be established only on the basis of the law.

Article 25. A woman and a man have the right to marry and create a family prior to attaining marrying age on the basis of mutual consent. Spouses are equal in family relations.

Parents or persons substituting for them have the right and obligation to raise children, care for their health, development and education, prepare them for labor, and instill culture and a respect for laws and for historical and national traditions. Adult children are obligated to care for parents and provide assistance to them.

Article 26. Citizens of Turkmenistan have the right to free convictions and their free expression.

Article 27. The freedom of assemblies, rallies, and demonstrations conducted as established by legislation is guaranteed.

Article 28. Citizens have the right to establish political parties and other public associations operating within the framework of the Constitution and laws.

Establishment and activities of political parties and other public associations having the goal of violent change of the constitutional system, condoning violence in their activity, opposing the constitutional rights and freedoms of citizens, propagandizing war and racial, ethnic, social, and religious enmity, and transgressing upon the health and morality of the people, and establishment of paramilitary associations and political parties based on ethnic or religious characteristics are prohibited.

Article 29. Every citizen has the right to participate in administration of the affairs of the society and state both directly and by way of freely elected representatives.

Article 30. Citizens have the right to elect and to be elected to bodies of state government.

Only citizens of Turkmenistan have an equal right of access to employment in service of the state in accordance with their capabilities and occupational training.

Article 31. All citizens have the right to work, to choose an occupation, nature of employment, and place of work at their own discretion, to health, and to safe working conditions. Compulsory labor is prohibited except in cases established by law.

Persons working for hire have the right of compensation corresponding to the quantity and quality of labor. This compensation may not be less than the established subsistence minimum.

Article 32. Laborers have the right to time off. In regard to persons working for hire, this right is expressed in

establishment of a work week of restricted duration, and in provision of annual paid vacations and weekly days off.

The state creates conditions favorable for time off at the place of residence, and for sensible use of free time.

Article 33. Citizens have the right to health protection, including use of the network of state public health institutions free of charge. Paid medical services are permitted on the basis of and in accordance with procedures established by law.

Article 34. Citizens have the right to social welfare in old age, and in cases of illness, disability, incapacitation, loss of a provider, and unemployment.

Large families, orphaned children, war veterans, and other persons who suffered health impairment in defense of state or public interests are granted additional support and benefits from public assets.

The procedures and conditions of exercising this right are regulated by law.

Article 35. Every citizen has the right to education. General secondary education is mandatory, and every person is entitled to receive it in state-run educational institutions free of charge.

The state insures accessibility to professional, secondary special, and higher education for all in accordance with the abilities of each.

Organizations and citizens are entitled to establish paid educational institutions on the basis of and in accordance with procedures established by law.

Article 36. Citizens of Turkmenistan have the right to freedom of artistic, scientific, and technical creativity. Authors' rights and legal interests of citizens in the area of scientific and technical creativity, and artistic, literary, and cultural activity are protected by law.

The state promotes development of national science, art, and local crafts.

Article 37. The exercise of rights and freedoms is indivisible from a citizen's and a person's fulfillment of his obligations before the society and state.

Every person who resides or is located in Turkmenistan is obligated to observe its Constitution and laws, and respect national traditions.

Article 38. Defense of Turkmenistan is the sacred duty of everyone. Universal compulsory military service is established for male citizens of Turkmenistan.

Article 39. Citizens of Turkmenistan are obligated to pay state taxes and other payments in accordance with procedures and in amounts established by law.

Article 40. Citizens are guaranteed legal defense of the honor and merit and the personal and political rights of the individual and the citizen, foreseen by the Constitution and laws.

Actions of state bodies, public organizations, and officials in violation of the law, in excess of authority, and infringing upon the rights and freedoms of citizens may be appealed in court.

Article 41. Citizens have the right to legal compensation for material and moral damages inflicted upon them by unlawful actions of state bodies, other organizations, their workers, and private persons.

Article 42. No one may be forced to give testimony and explanations against himself and close relatives.

Evidence obtained under mental or physical duress as well as by other unlawful methods is recognized to have no legal force.

Article 43. A law which worsens the position of a citizen does not possess retroactive force. No one may bear liability for actions which were not recognized to be in violation of the law at the moment of their commitment.

Article 44. The exercise of rights and freedoms of citizens foreseen by this Constitution may be suspended only in the conditions of a state of emergency or marshal law, in accordance with procedures and within limits established by the Constitution and the law.

Section III. The System of Bodies of Government and Administration

Chapter 1. General Provisions

Article 45. The supreme representative body of popular rule is the Khalk Maslakhaty (People's Soviet) of Turkmenistan.

Article 46. The supreme bodies of state government and administration in Turkmenistan are President, Majlis, Supreme Court, Supreme Economic Court, and Government of Turkmenistan.

Article 47. Turkmenistan consists of administrative-territorial formations: vilayets, shekhers, etraps, and ovs, in which the corresponding bodies of state government and administration, as well as representative bodies of self-management, are ordained.

Chapter 2. The Khalk Maslakhaty of Turkmenistan

Article 48. The Khalk Maslakhaty is comprised of:
the President;

deputies of the Majlis;

members of the Khalk Maslakhaty, elected by the people in a number equal to the number of Majlis deputies;

the Chairman of the Supreme Court, the Chairman of the Supreme Economic Court, the General Procurator,

members of the Government, the administrative heads of vilayets, shekhers, and etraps, and the archyns (mayors of municipal councils) of cities and towns that are administrative centers of etraps.

Article 49. The term of office of elected members of the Khalk Maslakhaty is five years, and they carry out their duties without compensation.

The rules of representation and the procedures of nomination, election and rotation of members of the Khalk Maslakhaty are established by law.

Article 50. The Khalk Maslakhaty examines and makes decisions on matters regarding:

- 1) the suitability of amending and supplementing the Constitution or adopting a new Constitution;
- 2) conducting national referendums;
- 3) developing recommendations on the basic directions of the country's economic, social, and political development;
- 4) changing the state border and administrative-territorial divisions;
- 5) ratifying and renouncing treaties on international unions and other formations signed in the name of Turkmenistan;
- 6) declaring a state of war and peace;
- 7) on other matters placed under its jurisdiction by the Constitution and laws.

Article 51. Decisions of the Khalk Maslakhaty are implemented by the President, the Majlis, and other state bodies in accordance with their competencies established by the Constitution and laws.

Article 52. The Khalk Maslakhaty convenes as necessary, but not less than once a year at the initiative of the President, the Majlis or one-third of the established membership of the Khalk Maslakhaty.

Article 53. The work of the Khalk Maslakhaty is directed by the President or any of the members of the Khalk Maslakhaty elected at his suggestion.

The procedure for convening the Khalk Maslakhaty and its work is determined by regulations approved by it.

Chapter 3. The President of Turkmenistan

Article 54. The President of Turkmenistan is the head of state and of executive power, he is the highest official of Turkmenistan, and he serves as the guarantor of national independence, territorial integrity, and observance of the Constitution and international agreements.

Article 55. A citizen of Turkmenistan who is a Turkmen not less than 40 years of age residing in Turkmenistan may be President.

Article 56. The President is elected directly by the people of Turkmenistan for a term of five years, and he assumes office immediately after taking the oath at a meeting of the Khalk Maslakhaty.

The procedures of the President's election and of his assumption of office are established by law.

Article 57. The President of Turkmenistan:

1) serves as the guarantor of observance of the rights and freedoms of citizens, the Constitution and laws;

2) implements measures to safeguard the sovereignty and territorial integrity of Turkmenistan;

3) represents Turkmenistan in relations with other states;

4) implements the Constitution and laws, and insures their precise execution;

5) directs the conduct of foreign policy, conducts negotiations and signs international treaties and agreements, appoints and recalls ambassadors and other diplomatic representatives of Turkmenistan in foreign states and in interstate and international organizations, and accepts the credentials and letters of recall of diplomatic representatives of foreign states;

6) coordinates the activities of state bodies in providing for the defense and national security of Turkmenistan; he is the Supreme Commander in Chief of the Armed Forces, and he appoints the supreme command of the Armed Forces;

7) issues instructions for universal or partial mobilization and use of the Armed Forces, these actions to be subsequently confirmed by the Khalk Maslakhaty;

8) declares a state of emergency in Turkmenistan or in individual locales in accordance with the law;

9) submits annual reports to the Khalk Maslakhaty on the state of the country, and provides information on the most important matters of domestic and foreign policy;

10) addresses messages to the people of Turkmenistan;

11) directs compilation of the draft budget and submits it to the Majlis for examination and approval;

12) signs laws, and is entitled to return, within not more than two weeks' time, a law together with his objections to the Majlis for repeat discussion and voting. If a two-thirds majority of the Majlis confirms its previously adopted decision, the President signs the law. The President does not possess the right of delaying veto in relation to laws on amendments and supplements to the Constitution;

13) calls referendums when so decided by the Khalk Maslakhaty; he is entitled to convene a session of the Majlis early;

14) resolves matters regarding the granting of Turkmenistan citizenship and of asylum;

15) presents orders and other decorations of Turkmenistan, and awards honorary titles;

16) awards military ranks and other special state titles, ranks, classes and honors;

17) with the prior consent of the Majlis, appoints and dismisses the Chairman of the Supreme Court, the Chairman of the Supreme Economic Court and the General Procurator;

18) forms and abolishes courts of Turkmenistan, except for the Supreme Court, and discharges or cancels the powers of judges of all courts of Turkmenistan;

19) grants pardons;

20) rescinds acts of ministries, departments, and local bodies of administration conflicting with the Constitution and laws;

21) calls elections of bodies of local self-management and makes decisions on their early dissolution in cases foreseen by law;

22) resolves other matters placed under his jurisdiction by the Constitution and laws.

Article 58. The President publishes ukases, decrees, and orders binding in the entire territory of Turkmenistan.

Article 59. The President may not serve as a deputy of the Majlis, or receive monetary awards, with the exception of honorariums for works of science, literature, and art.

Article 60. The president possesses the right of immunity.

The President may be relieved of his position early when it is impossible for him to carry out his duties due to illness. The Khalk Maslakhaty makes the decision to relieve the President from his position early on the basis of the conclusion of an independent medical commission created by it, by not less than two-thirds of the votes of the established membership of the Khalk Maslakhaty.

In the event of violation of the Constitution and laws by the President, the Khalk Maslakhaty may express no confidence in the President and submit the issue of his removal to a popular vote. The question of no confidence in the President may be examined at the demand of not less than one-third of the established membership of the Khalk Maslakhaty. A decision of no confidence in the President is adopted by not less than a two-thirds vote of the established membership of the Khalk Maslakhaty.

Article 61. The President is not entitled to transfer the exercise of his powers to other bodies or officials, except for powers foreseen by paragraphs 3, 15, and 19 of

Article 57 of the Constitution, which may be transferred to the Chairman of the Majlis.

If for one reason or another the President is unable to carry out his duties, until election of a new President his powers are transferred to the Chairman of the Majlis.

Chapter 4. The Majlis of Turkmenistan

Article 62. The Majlis (parliament) is the legislative body of Turkmenistan.

Article 63. The Majlis is comprised of 50 deputies elected to a term of five years by territorial districts containing an approximately equal number of voters.

Article 64. The Majlis may be dissolved early:

by decision of a referendum;

by a decree of the Majlis adopted by not less than a two-thirds majority of the established number of deputies (self-dissolution);

by the President in cases of failure to form the executive bodies of the Majlis in a period of six months, or of expression of no confidence in the Government twice in 18 months.

Article 65. The Majlis independently establishes the validity of election and the powers of deputies, elects a Chairman, his deputies, and the Presidium of the Majlis from among its deputies, and forms committees and commissions.

Article 66. The Majlis may transfer the right to issue laws on certain matters to the President, with mandatory approval of them subsequently by the Majlis.

The Majlis may not transfer legislative functions in matters regarding:

- 1) adoption and amendment of the Constitution;
- 2) criminal and administrative legislation;
- 3) legal procedure.

Article 67. The following are under the jurisdiction of the Majlis:

- 1) adopting and amending the Constitution;
- 2) adopting laws;
- 3) interpreting the Constitution and laws;
- 4) calling elections of the President, the Majlis, and members of the Khalk Maslakhaty;
- 5) forming the Central Commission on Elections and Referendums;
- 6) approving or rejecting the composition of the Government and the programs of its activity;

7) approving or rejecting candidates for the position of Chairman of the Supreme Court, Chairman of the Supreme Economic Court, the General Procurator, and petitions to dismiss them;

8) approving the budget of Turkmenistan and reporting on its execution;

9) ordaining state decorations, awarding state decorations to the President, and conferring honorary titles, military ranks, and honors upon him;

10) ratifying international treaties and agreements foreseeing changes in legislation;

11) other matters placed under the jurisdiction of the Majlis by the Constitution and laws.

Article 68. The right of legislative initiative in the Majlis belongs to the President, deputies of the Majlis, and the Government.

Article 69. Deputies of the Majlis possess the right of inquiry and of submitting oral and written questions to the Government, ministers, and directors of other state bodies.

Article 70. A deputy may be deprived of deputy powers only by the Majlis. A decision on this matter is made by not less than a two-thirds majority of the established membership of the Majlis.

A deputy may not be subjected to criminal proceedings, arrested, or deprived of freedom in any manner without the consent of the Majlis, and in the period between sessions, the Presidium of the Majlis.

Article 71. Deputies may not concurrently occupy the positions of members of the Government, administrative heads of vilayets, shekher, and etraps, judges, procurators, and archyons.

Article 72. The Chairman of the Majlis is elected from among the deputies by secret ballot. He is answerable to the Majlis and may be removed by a decision of the Majlis adopted by not less than a two-thirds majority of the established number of deputies.

The Deputy Chairman of the Majlis is elected by open ballot, performs certain functions of the Chairman on his orders, and substitutes for the President when he is absent or when it is impossible for him to exercise his powers.

Article 73. The Presidium of the Majlis organizes the work of the Majlis and examines matters placed under its jurisdiction by the Constitution and laws.

The Presidium is comprised of the Chairman of the Majlis, his deputy, and chairmen of Majlis committees and commissions.

Article 74. The procedures followed in the activities of the Majlis and its bodies and deputies, and their functions and powers not regulated by the Constitution are established by law.

Chapter 5. The Government of Turkmenistan

Article 75. The Government is an executive and administrative body. The Government is headed by the President of Turkmenistan.

Article 76. The Government is comprised of: deputy heads of the Government, ministers, and directors of state committees and other departments.

The Government is formed by the President within a month after he assumes office, and it resigns before the newly elected President.

The program of activity and the composition of the Government are approved by the Majlis.

Article 77. Meetings of the Government are conducted by the President, or on his orders by one of the deputy heads of Government.

Within the limits of its competency the Government issues decrees and orders, fulfillment of which is mandatory.

Article 78. The Government of Turkmenistan:

1) submits the state budget and a report on its execution to the Majlis for examination and approval by it.

2) implements measures to support and defend the rights and freedoms of citizens, safeguard property and public order, and defend the interests of the state, national security, and defense capabilities;

3) examines and submits to the Khalk Maslahaty proposals on the basic directions of the domestic and foreign political activity of the state and the program of the country's economic and social development;

4) maintains state control over economic and social development; organizes control of state enterprises, institutions, and organizations; insures sensible use and protection of natural resources;

5) implements measures to strengthen the monetary and loan system;

6) forms committees, main administrations, and other Government departments as necessary;

7) implements measures to carry out foreign economic activity and maintain cultural ties with foreign states;

8) rescinds acts of ministries and departments;

9) resolves other issues of state administration

Article 79. The powers of the Government, the procedures of its activity, and its relations with other state bodies are determined by law.

Chapter 6. Local Executive Power

Article 80. The system of local executive power is comprised of:

representatives of the Heads of State: in vilayets—vilayet vekili, in shekhers—shekher vekili, in etraps—etrapp vekili;

local administrative bodies formed by ministries and by state committees and departments.

Article 81. Vekil are appointed to and dismissed from their positions by the President, and are answerable to him.

Article 82. Vekil maintain control over execution of the Constitution, laws, and acts of the President and Government, provide overall leadership to the activities of officials in the corresponding administrative formations, maintain control over the work of the gengeshchi, and issue, within the limits of their powers, acts mandatorily fulfilled by organs of power and administration under their control.

Article 83. Local administrative bodies of ministries and departments independently carry out the tasks imposed on them, coordinating their activities when necessary with local representatives of the President.

Article 84. The total volume of the powers of vekil, their legal status, the procedures of their activity and mutual relations with other state bodies and with bodies of local self-management are established by law.

Section IV. Local Self-Management

Article 85. Gengeshchi and bodies of territorial public self-management comprise the system of local self-management.

Gengeshchi are representative bodies of popular government in the territory of cities, towns, and ovs. They are elected by citizens directly for a term of five years.

Article 86. Gengeshchi have the authority to manage municipally owned facilities, levy local taxes and dues, manage the local budget, monitor the activities of institutions of public education, public health and culture, insure protection of the environment, and resolve other matters of local importance.

Article 87. The archyn is the leader of a gengeshchi. He is elected by the population through direct elections at the time of election of members of the gengeshchi.

Article 88. Members of a gengeshchi carry out their duties without compensation. The competency and procedures of activity of gengeshchi and other bodies of public self-management and of archyns are determined by law.

Section V. The Electoral System, the Referendum

Article 89. Elections of the President, deputies of the Majlis, members of the Khalk Maslakhaty, archyns, and other popularly elected persons are universal and equal; the right to vote is possessed by citizens of Turkmenistan who have attained an age of 18 years, and each voter has one vote.

Mentally ill citizens recognized to be incompetent by the court, and persons imprisoned by a sentence of the court do not participate in elections. Persons in relation to whom maintenance under guard is selected as a measure of suppression in accordance with a procedure established by legislation on criminal procedure do not participate in elections. Any direct or indirect restriction of the voting rights of citizens in other cases is impermissible and punishable by law.

Article 90. Citizens of Turkmenistan who have attained an age of 25 years by the day of elections may be deputies of the Majlis and members of the Khalk Maslakhaty.

The age requirements of gengeshchi members, archyns, and other persons elected to state positions are determined by law.

Article 91. Elections are direct, and deputies and other persons are elected by citizens directly.

Article 92. Voting in elections is secret, and monitoring the choices of voters during voting is prohibited.

Article 93. The right to nominate candidates belongs to political parties, public associations, and citizen groups in accordance with election law.

Article 94. National and local referendums may be conducted in order to resolve the most important issues of state and public life.

The question of rescinding an act adopted by referendum is resolved exclusively by national referendum.

Article 95. The right of calling a national referendum belongs to the Khalk Maslakhaty at the proposal of not less than a third of its members, or at the proposal of not less than 250,000 citizens possessing the right to vote.

Article 96. The right to call local referendums belongs to the gengeshchi on its own initiative or at the proposal of not less than one-fourth of the voters residing in the corresponding territory.

Article 97. A referendum is conducted by way of universal, direct, and secret ballot.

Citizens of Turkmenistan possessing the right to vote participate in referendums.

Article 98. The procedures of elections and of national and local referendums are determined by law. Elections and referendums are not conducted during a state of emergency.

Section VI. Judicial Power

Article 99. Judicial power in Turkmenistan belongs solely to the courts.

Judicial power is intended to defend the rights and freedoms of citizens, and state and public interests protected by law.

Article 100. Judicial power is exercised by the Supreme Court, the Supreme Economic Court, courts having military jurisdiction, and other courts foreseen by law, in the form of civil, economic, administrative, and criminal procedure.

Creation of extraordinary courts and other structures vested with the powers of a court is prohibited.

Article 101. Judges are independent, and they submit solely to the law and to their own internal convictions. Interference in the activities of judges by any party is impermissible and incurs liability under the law. The inviolability of judges is guaranteed by law.

Article 102. Judges are appointed to all courts for a term of five years. The procedures of appointing and dismissing judges are determined by law. A judge may be dismissed without his consent prior to the end of his term only by a sentence of the court and on grounds indicated in the law.

Article 103. Judges may not occupy any other paid position, except in teaching and in scientific research; during their term of office judges may not be members of political parties and of public associations pursuing political goals.

Article 104. Cases are examined in court collectively, and when foreseen by law, by single judges.

Article 105. Cases are examined openly in all courts. Cases may be heard in closed session only when foreseen by law, observing all rules of legal procedure.

Article 106. Legal proceedings are conducted in the state language, or in the language of the majority of the population in the given locale. Persons participating in a case who are not conversant with the language of legal proceedings are granted the right to acquaint themselves with the materials of the case and to participate in court actions through an interpreter, as well as the right to speak in court in their native language.

Article 107. Justice is practiced on the basis of competitiveness and equality of the parties.

Parties have the right to appeal decisions, sentences and other court resolutions of all courts of Turkmenistan.

Article 108. The right to professional legal assistance is recognized in all stages of legal proceedings.

Legal assistance is provided to citizens and organizations by barristers and other persons and organizations.

Article 109. The competency, procedure of formation, and activities of courts are determined by law.

Section VII. The Procuracy

Article 110. Surveillance over precise and consistent observance of laws and acts of the President on the territory of Turkmenistan by bodies of state administration, management of the Armed Forces, and local self-management, by participants of production, economic, and commercial activities, and by organizations and institutions, public associations, officials and citizens is the responsibility of the General Procurator of Turkmenistan and procurators subordinated to him.

A procurator participates in examination of cases in courts on grounds and in accordance with procedures established by law.

Article 111. The Procuracy maintains surveillance over the lawfulness of investigatory operations and of investigation of criminal cases and materials.

Article 112. The unified and centralized system of agencies of the Procuracy is headed by the General Procurator, appointed by the President to a term of five years.

The President appoints the deputies of the General Procurator and vilayet procurators. Shekher and etrap procurators are appointed by the General Procurator.

Article 113. The General Procurator and procurators subordinated to him follow only the law in the exercise of their powers. The General Procurator is answerable in his activities to the President.

During their term of office procurators may not be members of political parties and of other public associations pursuing political goals.

Section VIII. Concluding Provisions

Article 114. Laws and other acts of state bodies of Turkmenistan are issued on the basis of and in correspondence with the Constitution.

In the event of disagreement between the Constitution and the law, the Constitution prevails.

Article 115. The issue of amending the Constitution is examined by the Majlis only on the basis of a decision of the Khalk Maslakhaty.

Provisions of the Constitution regarding a republican form of government may not be amended.

Article 116. A law amending the Constitution is considered to be adopted if not less than two-thirds of the established number of deputies of the Majlis vote in its favor.

Report on Republic's 1991 Socioeconomic Development

92US0349A Ashkhabad TURKMENSKAYA ISKRA
in Russian 7 Feb 92 pp 1-3

[“Report of the Turkmenistan State Committee for Statistics on Socioeconomic Development of Turkmenistan in 1991”]

[Text] The past year was distinguished by a decline in the effectiveness of national production and in the people's standard of living. The unsatisfactory state of the economy is the result of a complex group of factors and circumstances, several of which were engendered by the economic policy errors of recent years. The crisis-related processes that were so pervasive in the production and distribution networks, financial and monetary system, and foreign economic activities of the former USSR, the destruction of the single economic territory, and the severance of multifaceted production ties that were decades in the making were the factors contributing to the economic recession.

The following are indicators of Turkmenistan's socioeconomic development:

Indicators	1991	1991 in % of 1990 (comparable prices)
Industrial production (actual prices), billions of rubles	15.0*	104.1
Consumer goods production (retail prices), billions of rubles	4.0	103.4
Foodstuffs	2.0	96.6
Alcoholic beverages	0.5	107.6
Nonfood items	1.5	112.0
New fixed assets of state enterprises and organizations (estimated cost in prices of 1 Jan 91), billions of rubles	1.6	95.0
Employed population, millions of people	1.6	102.6
In public sector	1.3	101.6
Average monthly consumption-related funds per worker, in rubles	396	160.0
Average monthly wages of kolkhoz farmers in kolkhoz public sector (advance payments), in rubles	272.4	183.2

Indicators	1991	1991 in % of 1990 (comparable prices)
Retail commodity turnover in state and cooperative trade (actual prices), billions of rubles	6.2	85.6
Paid services (actual prices), billions of rubles	0.8	87.2
Retail price index (goods and services)	x	188.5
New housing funded by all sources, millions of square meters of total area	2.0	117.0

* Including ancillary industry and cooperatives (estimates).

National income in 1991 was 0.6 percent below the 1990 figure, and social labor productivity was 2.1 percent below the figure for last year.

As a result of the commencement of economic reform for a multistructured economy and the development of market relations, manpower from the state sector moved into alternative economic structures. As a result of this, the number of people employed by state enterprises and organizations and the kolkhoz-cooperative sector was lower than it had been in 1990, while the number of people working in small and leased enterprises and in the private sector was higher.

There were around 160 leased enterprises operating in industry, construction, trade and public catering, consumer services, and public motor transport on 1 January. Their combined product (goods and services) for the year was equivalent to 540 million rubles [R].

Efforts to establish businesses have been brisk: Small enterprises are being opened, cooperatives are doing business, various types of associations and companies are being formed on a voluntary basis, and joint ventures are being formed.

Entrepreneurial efforts to date, however, have been geared more to distribution than to production.

Finances, Monetary Circulation, Public Income and Expenditures

Measures connected with the price reform raised prices in the consumer market and the production sector of the economy.

The state of finances in Turkmenistan was still unsatisfactory in 1991, and disparities in monetary circulation continued to grow more pronounced.

Enterprises and organizations raised their profit margins considerably and accumulated their own funds. According to estimates, profits for the year amounted to around R3.5 billion, or 1.7 times as high as the figure in 1990. At the end of 1991, according to the estimates of the Turkmenistan State Bank, there was around R4.5 billion in enterprise and organization accounts, which is 3.2 times as high as the figure at the beginning of the year.

One out of every seven enterprises (or organizations), however, had losses in 1991, totaling R150 million,

including almost half of the enterprises in consumer services and housing and municipal services, which lost R6 million and R20 million respectively, one out of every five trade enterprises, including worker supply divisions, with a combined loss of R23 million, one out of every nine transport enterprises, registering a loss of R12 million, one out of every 11 construction enterprises, with a total loss of R20 million, and one out of every 20 industrial enterprises, registering R50 million in losses.

Turkmenistan's **state budget** income, according to the preliminary data of the Ministry of Finance, amounted to R6.5 billion in 1991, while expenditures totaled R6.1 billion and were approximately twice as high as in 1990.

Turnover tax contributed R634 million to the budget, rent payments amounted to R1.5 billion, sales tax totaled R300 million, the profit tax amounted to R513 million, and the income from the reassessment of commodity stocks totaled R1.203 billion rubles.

Expenditures on national economic financing in 1991 amounted to around R2.4 billion, or 39 percent of all expenditures, with respective figures of R3.4 billion and 56 percent for sociocultural measures, R144 million and 2.4 percent for the maintenance of law enforcement agencies and government bodies, and R21 million and 0.3 percent for science.

Credited investments in the national economy of Turkmenistan on 1 January 1992 had reached R8 billion (R7.4 billion in short-term credit and R0.6 billion in long-term credit), which was 2.5 times as high as, or R4.8 billion above, the figure for 1 January 1991. The growth of these investments was mainly due to the higher prices of crude resources, materials, and finished products and the larger residual product in the processing branches.

Around R591 million was deposited in the Turkmenistan Economic Stabilization Fund in 1991, with R561 million used to finance capital investments and R30 million used to subsidize enterprises operating at a loss.

The **monetary income of the population** in 1991 was R10.7 billion, increasing by R5.4 billion, or doubling, during the year. This growth was due to the measures taken for the social protection of the population in connection with price and rate increases: the addition of compensatory payments to wages and salaries and to savings accounts, the wage increases for workers in

several production branches, and the allocation of funds from the state budget to increase the salaries of workers in public education, public health, social security, culture, and other spheres. Payments and benefits from social consumption funds are expected to amount to R4 billion, which is 2.5 times as high as the 1990 figure. The per capita figure is R1,129, as compared to R481 in 1990.

Monetary income exceeded expenditures by R2.4 billion in 1991, a figure 5.5 times as high as the amount in 1990.

The savings accounts of the population in branches of the Savings Bank increased by more than R1 billion during the year, and the inclusion of the compensatory deposits in special accounts brings the figure up to R3.5 billion.

Savings bank certificates negotiated during the year amounted to R63.4 million, or 1.9 times as high as the 1990 figure. The population's remaining certificates on 1 January 1992 totaled R128.5 million.

Price and Rate Dynamics

The overall level of wholesale prices at industrial enterprises (excluding turnover tax) in 1991 was 3.1 times as high as in 1990. Wholesale prices displayed the highest increase in the gas industry (5.7-fold), in leather production (4.6-fold), in the meat industry (4.2-fold), in the liquor industry (3.7-fold), in the mining and chemical industry and silk industry (3.5-fold), and in petroleum refining, butter and cheese production, and the dairy industry (3.2-fold).

The retail price and rate index for consumer goods and paid services in 1991 was 188.5 percent.

The price and rate index for paid services in 1991 was 166.2 percent. Rates displayed the highest increase in health resort and therapeutic services (2.5-fold), tourism (2.4-fold), personal services (2.1-fold), and passenger transport (1.8-fold).

Consumer price dynamics in 1991 were extremely unstable.

The consumer goods price index in 1991 in comparison with 1990 was 191.2 percent. It was 1.7 times as high for foodstuffs, including increases ranging from 2.5-fold to 3.2-fold for meat, sausage, fish, butter and lard, and sugar.

Produce prices displayed a substantial increase. In particular, the price of potatoes rose 3.3-fold and the price of vegetables rose 2.4-fold. The prices of animal husbandry products rose in the kolkhoz market. The price of meat doubled and the price of eggs displayed a 2.3-fold increase.

The prices of nonfood items as a whole doubled, including a 2.5-fold increase in the price of knitwear, a 2.3-fold increase in the prices of hosiery and footwear, a

1.9-fold increase in synthetic detergent prices, and a 1.7-fold increase in the price of radios.

Demographic Situation and Public Employment

The tentative population figure for the beginning of 1992 was over 3.809 million, including an urban population of more than 1.723 million and a rural population of around 2.086 million.

The natural rate of population growth is still high in Turkmenistan. According to preliminary data, there were 129,000 births and 28,000 deaths during the year, producing a natural increase of 101,000. The number of births per 1,000 inhabitants was 34.1, the mortality rate was 7.3, and the rate of natural increase was 26.8 (the respective figures in 1990 were 34.2, 7.0, and 27.2).

The number of people migrating to other sovereign republics decreased.

Republic labor resources in 1991 exceeded 1.9 million people. There were more than 1.6 million people employed in all spheres. State enterprises and organizations employed 881,000 people, leased enterprises employed 11,000, public organizations employed 3,000, small firms employed 20,000, cooperatives producing goods and services employed 23,000, kolkhozes employed 358,000, and 246,000 people were self-employed.

Consumer Market and Service Sector

Industry produced consumer goods worth R3.9582 billion (in retail prices), which exceeded the 1990 figure by R131.8 million (or 3.4 percent).

The per capita output of these goods, not counting alcoholic beverages, averaged R921 and was 0.3 percent above the 1990 figure.

The output of more than half of the most important consumer goods, however, was below last year's figure.

The following data measure the output of certain types of foods:

Products	Produced in 1991	1991 in % of 1990
Meat (industrial output), thousands of tonnes	34.0	90
Sausage, thousands of tonnes	15.8	89
Edible fish products, including canned fish, thousands of tonnes	17.4	85
Butter and lard, thousands of tonnes	4.3	96
High-fat sheep's milk cheese, tonnes	1,157	104
Whole-milk dairy products (calculated in milk units), thousands of tonnes	127.1	99

Products	Produced in 1991	1991 in % of 1990
Vegetable oil, thousands of tonnes	103.7	96
Bread and baked goods, thousands of tonnes	154.7	109
Flour, thousands of tonnes	449.5	109
Groats, thousands of tonnes	26.2	113
Noodles, thousands of tonnes	20.9	118
Table salt, thousands of tonnes	650	127
Confectionery, thousands of tonnes	37.3	107
Canned goods, millions of standard cans	74.0	89
Canned fruits and vegetables	53.7	94
Mineral water, thousands of decaliters	1,148	160
Nonalcoholic beverages, thousands of decaliters	3,465	77
Alcoholic beverages (calculated in absolute alcohol), thousands of decaliters	1,022.2	106

The output of foodstuffs was equivalent to R1.9336 billion, or 3.4 percent (R67.6 million) less than in 1990. The output of foodstuffs in cost terms decreased across the board in Mary and Balkansk oblasts. The reduction of output was largely due to reduced deliveries of agricultural products to processing enterprises.

The decrease in output in 1991 was equivalent to 3,900 tonnes of meat, around 2,000 tonnes of sausage, 197 tonnes of butter and lard, 1,800 tonnes of whole-milk dairy products, 9.4 million standard cans of all types of canned goods, and 4,600 tonnes of vegetable oil.

The following indicators measure the output of certain types of nonfood items:

Products	Produced in 1991	1991 in % of 1990
Fabric, millions of square meters—total	51.1	96
Cotton	28.2	97
Silk	7.4	78
Wool	2.9	100.7
Knitwear, millions of items	10.5	92
Children's knitwear	7.4	89
Hosiery, millions of pairs	12.7	73
Children's hosiery	5.6	65
Sewn garments (standard tailoring cost), millions of rubles	31.3	120
Footwear, millions of pairs	4.1	100
Children's footwear	3.2	98

Rugs and carpeting, thousands of square meters	1,383	119
Furniture, millions of rubles	43.6	110
Stationery, thousands of rubles	271	23
China and earthenware, thousands of rubles	941	69
Packaged synthetic detergents, thousands of tonnes	15.2	58
Household soap, thousands of tonnes	8.5	77

The output of inedible consumer goods was equivalent to R1.5322 billion, which exceeded last year's figure by 12 percent (or by R164.5 million).

The increase in output was mainly due to changes in the assortment of goods in light industry, where expensive products predominated.

Prices in the branch as a whole were 2.9 times as high in 1991 as in 1990, including prices 3.1 times as high in the knitwear industry, 3.5 times as high in the silk industry, 3 times as high in the wool industry, 2.5 times as high in the garment industry, and 2.7 times as high in the footwear industry.

The output of goods in light industry in 1991 exceeded the 1990 figure by 15.3 percent. The output of some of the goods in the highest demand, however, decreased.

The decrease was equivalent to 2.299 million square meters of all types of fabrics (except wool), 4.7 million pairs of hosiery, 1.7 million pairs of men's socks, 1.9 million pairs of sandals, 954,000 items of knitwear, including 879,000 children's items, and 82,000 pairs of children's footwear.

Retail commodity turnover in 1991 amounted to R6.2 billion, which exceeded the 1990 figure by R2.4 billion (or 62.9 percent) in actual prices. In comparable prices, however, commodity turnover decreased by 14.4 percent.

There were acute shortages in the trade network throughout the year due to increasingly pronounced cuts in deliveries of consumer goods to the trade network. By the end of the year there was a shortage of virtually all consumer goods, particularly the vital necessities.

Sales figures in 1991 in comparison with 1990 were 24-35 percent lower for margarine products, fish and fish products, sugar, butter and lard, fruit and vegetable juices, eggs, leather footwear, furniture, sporting goods, and china; 13-20 percent lower for meat and meat products, whole-milk dairy products, knitwear, and radios; and 5-7 percent lower for baked goods, nonalcoholic beverages, and sheep's milk cheese.

Deliveries of animal husbandry products to the market decreased by 14-19 percent. Problems in the market were compounded by the republic farms that failed to make

contracted deliveries of products for industrial processing. Delivery contracts for meat since the beginning of the year were fulfilled by 96.6 percent.

The amount of potatoes put in storage by 1 January 1992 for sale in the winter and spring was below last year's figure by 5,800 tonnes (or 45 percent).

The dwindling food supply in state and cooperative trade resulted in the continuous rise of kolkhoz market prices.

Commodity turnover in the kolkhoz market in 1991 amounted to R195.1 million and was 2.2 times as high as the 1990 figure; furthermore, the increase was the result of increased output as well as rising prices.

Detergent sales decreased by almost half.

The supply of tobacco products was 2.2 times as great as in 1990, but tobacco sales were halted periodically.

The shortage of lumber and construction materials grew even more acute in the past year. In 1991 the trade network received from 12-25 percent less soft roofing and insulation materials, rolled ferrous metal products, roofing slate, and cement and from 30-39 percent less linoleum and commercial timber.

The network of consignment (commercial) stores in Turkmenistan grew. The commercial prices of a broad variety of nonfood items were 4-5 times as high as state prices on the average and were within the reach of only a limited segment of the buying public.

The workers of enterprises with broad opportunities for barter transactions were in a better position than the rest of the population with regard to their supply of scarce products and goods. Direct natural exchange was practiced widely, and it frequently transcended the boundaries of a single territory. The institution of restrictions in several sovereign republics on the amount of goods crossing their borders have increased the flow of the unregulated territorial migration of money and goods.

The sales volume of services for the population amounted to R782 million, which was below the 1990 figure (in comparable prices) by 12.8 percent.

Personal services, which represent 40 percent of all paid services, decreased by 26 percent (in comparable prices) over the year.

The reduced volume of personal services was due to some extent to the loss of clients because of the high prices of some services, combined with the virtual absence of improvement in their quality, as well as to the extremely unsatisfactory supply of spare parts, crude resources, materials, and components and the consequent impossibility of contracting the necessary services.

Crime

Mounting social tension had a dramatic effect on the crime rate.

In the past year, 19,300 crimes were reported in Turkmenistan, or 3.5 percent more than last year. One out of every seven was a serious crime. The crime rate rose by 34.4 percent in Tedzhen, 8.6 percent in Mary Oblast, and 11 percent in Chardzhou Oblast.

The number of thefts of state property increased by 24.5 percent, cases of the embezzlement of state and public property increased by six percent during the year, and reported cases of theft and embezzlement numbered 2,392 and 634 respectively.

The rate of juvenile crime is still high. Juveniles committed 1,403 crimes (10.4 percent) during the year. The number of crimes committed by individuals under the influence of alcohol is rising and numbered 2,800 (8.5 percent). The number of group crimes exceeded 1,800 (25.2 percent), and crimes by repeat offenders numbered 2,400 (10.8 percent). Cases of extortion rose by 18.6 percent, vandalism rose 30.5 percent, bribery rose 32.6 percent, illegal drug transactions rose 45.2 percent, and violations of trade rules increased 1.9-fold. More than 6,500 reported crimes remained unsolved and 1,500 criminals remained at large.

The 2,900 reported accidents on highways and streets killed 766 people and injured 3,178.

There were 2,291 fires in 1991, resulting in the death of 58 people, including 20 children. Damage caused by fires exceeded 3 million rubles. More than 25.3 percent of the fires were caused by the improper use or malfunctioning of electrical appliances, 23.7 percent were the result of careless burning, and 19.4 percent were caused by children playing with fire. In comparison with last year, the number of fires decreased by 117 (or 4.9 percent), but losses increased by R133,000 (4.6 percent) and the number of deaths increased by 13 (28.9 percent).

State of the Environment

According to the data of the Turkmenistan State Committee for Hydrometeorology, the concentration of at least one harmful substance in the air was five or more times in excess of the norm on certain days in 1991. Concentrations of substances dangerous to human health 10 times in excess of the norm were recorded most frequently in Ashkhabad (carbon monoxide—48 times) and Bezmein (cement particles—7 times).

The level of surface water pollution did not change appreciably during the year. A high content of phenols, petroleum products, and pesticides was recorded, however, in the Amu-Darya, Murgab, and Tedzhen rivers, the Karakum Canal, and the Sarykamys and Khauz-khan reservoirs.

In 1991 agencies of the Turkmenistan State Committee for Environmental Protection recorded three cases in which pollutants were dumped into bodies of water, causing damage estimated at R38,000. Administrative proceedings were instituted against 996 officials and citizens for violations of environmental laws, and they

were charged fines totaling R937,000, including 334 people who paid fines totaling R644,000 for violations of water laws, 419 people who paid R275,000 in fines for air pollution, and 243 people who paid R18,000 in fines for land pollution.

Industry

The volume of industrial production in 1991 exceeded R15 billion and was 4.1 percent above the 1990 figure (estimated, in comparable prices). Production in petroleum refining, the glass and cotton-cleaning industries, machine building, the construction materials industry, and some food branches—produce, baked goods, wine, nonalcoholic beverages, and flour and groats—increased at a relatively higher rate than the output of industry as a whole.

Output decreased in Tashauz and Balkansk oblasts, Tedzhen, and Tedzhenskiy Rayon. Production volume declined at one out of every three enterprises, resulting in underproduction estimated at R459.7 million, or 4.1 percent of the whole industrial product.

Contracted deliveries to consumers were R72.2 million short (0.5 percent of the total product), which was lower than the 1990 figure by a factor of 2.7 in comparable prices. One out of every 10 enterprises failed to meet contract obligations, and in the chemical and timber complex this was true of one out of every four enterprises.

The negotiation of economic contracts for 1992 has entailed great difficulty. As of 13 January, only 16.1 percent of the intentions (or plans) of enterprises for deliveries of their products to consumers and 14.1 percent of their plans to obtain the material resources needed for the completion of their production programs had been finalized in contracts.

In previous years more than 70 percent of the projected volume for the year had already been finalized in contracts by this time. Enterprises of the Turkmenagroprompererabotka Production Association, Turkmen-derman Scientific Production Association, Turkmenkabel and Turkmenmebel production associations, and the Chardzhou Petroleum Refinery have not signed contracts for deliveries of their products in 1992.

This is primarily the result of difficulties in organizing economic ties because of the complex political situation in some parts of the former Union and the indefinite nature of the prices of products and material resources in the current year.

Labor productivity in industry rose 2.3 percent in 1991. The indicator was higher than the average in Ashkhabad (10.7 percent), Chardzhou Oblast (5.1 percent), Bezmein (11.9 percent), Ashkhabadskiy Rayon (22.7 percent), Bakhardenskiy Rayon (34.4 percent), Geok-Tepinskiy Rayon (10.9 percent), and Kaakhtinskiy Rayon (4.2 percent).

Higher labor productivity was responsible for 55 percent of the industrial production growth. Enterprises in Ashkhabad and Bezmein and in Bakhardenskiy Rayon achieved their whole increment as a result of higher productivity.

Labor productivity declined in industry in Mary, Tashauz, and Balkansk oblasts, in Tedzhen, and in Tedzhenskiy and Serakhskiy rayons.

Labor productivity declined at one out of every three industrial enterprises, resulting in product losses equivalent to R660.3 million; this included one out of every two enterprises of the Turkmenagroprompererabotka Production Association and the Ministry of the Food Industry and one out of every five enterprises of the Ministry of Consumer Goods.

Shortages of material resources and energy halted production periodically. Losses of work time in connection with this amounted to 69,300 man-days in 1991, and product losses exceeded R30 million.

The fuel and energy complex produced 14.9 billion kilowatt-hours of electricity, exceeding the 1990 figure by 2.4 percent, and extracted 84.3 billion cubic meters of gas and 5.4 million tonnes of oil, including gas condensate.

The total output of the complex decreased by 2.6 percent, and labor productivity declined by 5.3 percent.

The output of most of the main products at enterprises of the machine-building complex increased over the year. They included illumination engineering equipment, oil rigging, gas stoves, centrifugal pumps, and technological equipment for trade, public catering, and buffet bar enterprises and the spare parts for it. The output of metalworking tools, oil field, drilling, and prospecting equipment, technological equipment for light industry, and spare parts for tractors also increased.

Disruptions of economic ties, however, decreased the output of high-tension power cable and cotton-cleaning equipment.

Total production volume increased by 10.9 percent and labor productivity rose 14.5 percent and was responsible for the entire product increment.

Production volume declined, however, at one out of every five enterprises, and labor productivity declined at one out of every four. The Arzuv Plant in Ashkhabad did not fulfill contract obligations for 1991, failing to deliver products worth R738,000.

In the chemical and timber complex there was a larger output than last year's of oil, gasoline, diesel fuel, fuel oil, petroleum coke, synthetic ammonia, mineral fertilizer, and medicine.

There was a substantial decline, however, in the production volume of the main crude products of basic chemistry: sulfur (by 28.2 percent) and sulfuric acid (6.5

percent). The output of phosphate fertilizers decreased. The output of aviation gasoline decreased by 37.7 percent, and there were decreases of 19.9 percent in the output of A-72 motor gasoline and of 9.7 percent in the output of AI-93 gasoline.

Production growth at the Chardzhou Petroleum Refinery increased the industrial output of the whole complex by 17.1 percent and raised labor productivity 4.2 percent. The rise in labor productivity was responsible for 27.7 percent of production growth.

The volume of production and the level of labor productivity were lower than in 1990 at one out of every two enterprises. Contract obligations were not fulfilled by the Nebit-Dag Iodine Plant (R1.4 million), the Ashkhabad Household Chemicals Plant (R208,000), and the Chardzhou Chemical Plant (R7.5 million).

Enterprises of the construction materials industry increased the output of building brick, window glass, asbestos cement tile, panels, and other structures for frame-and-panel residential construction. In comparison with 1990, the output of cement decreased by 181,100 tonnes, or 16.7 percent, the output of precast reinforced concrete structures and products decreased by 33,100 cubic meters, or 3.7 percent, and the output of asbestos cement pipe and sleeves decreased by 5 kilometers of standard pipe, or 0.3 percent.

In the Ministry of Construction Materials network, consumers failed to receive products worth R5.8 million from the Bezmein Cement Plant and R500,000 from the Krasnovodskstroyaterialy Production Association, and in the Ministry of Water Management network they failed to receive products worth R3.3 million from the Tedzhen Construction Materials and Structures Combine and R80,000 from the Chardzhou Drain and Ceramic Pipe Plant.

Agriculture

The agricultural product in 1991 was equivalent to R2.8 billion (in comparable 1983 prices), which was 1.6 percent below the level for the previous year, including a drop of 1.8 percent in farming products and a drop of 1.1 percent in animal husbandry products. In spite of all the socioeconomic difficulties, the level of production rose in the private sector, where output increased by 2.7 percent while it decreased by 2.4 percent in the public sector. Labor productivity in the public sector of agriculture declined by 6.4 percent, resulting in product losses equivalent to R158.7 million.

There were no fundamental changes in the structure of agricultural production as a whole and the structure within different branches. This gave rise to major difficulties because of the constant and pervasive rise of inflation and the growing volume of barter transactions. This is reflected specifically in the state of food dependence. This is why the best solution to the present

situation would seem to be the development and perfection of the natural economic structure and the augmentation of its food sector.

The output of grain increased by only 4.8 percent and amounted to 470,700 tonnes, and the output of wheat decreased by 21 percent. Although the area sown to grain was larger than last year's by 57,000 hectares, the yield was lower by 5.1 quintals per hectare, resulting in a shortage equivalent to 30,000 tonnes of grain. Cotton was planted on 603,700 hectares, or around half of all the sown area (including the subsidiary plots of the population), and this area was reduced by only 20,000 hectares during the year while the area sown to grain was increased mainly by the planting of less vegetables, melons, and potatoes. For this reason, the output of vegetables decreased by 2.9 percent, the output of melons and gourds (edible) decreased by 13 percent, the output of potatoes decreased by 14.5 percent, the output of grapes decreased by 2.4 percent, and the output of fruit decreased by 0.8 percent.

The output of most animal husbandry products decreased: by 1.5 percent for meat, 10.3 percent for eggs, and 1.8 percent for wool. The output of milk increased by only 1.6 percent. The declining level of production in animal husbandry affected the work of industrial enterprises and procurement organizations, where projected supplies were short by 2,500 tonnes of livestock and poultry and more than 41 million eggs in 1991.

The declining level of agricultural production and reduced deliveries of food from outside Turkmenistan had a severe effect on the population's food supply, reducing the consumption of many foods dramatically. According to preliminary estimates, per capita meat and meat product consumption was 38 kilograms as compared to 43 in 1990, the per capita consumption of milk and dairy products was 160 kilograms as compared to 203 last year, per capita egg consumption was 82 as compared to 95 eggs last year, per capita potato consumption was 20 kilograms as compared to 21, the figure for vegetables and melons was 84 kilograms as compared to 121, and the per capita consumption of fruits and berries was 21 kilograms as compared to 28 last year.

The declining level of agricultural production was due mainly to problems in the public farming sector of kolkhozes and sovkhoses. The main issue was the correspondence of the sale prices of agricultural products to the prices of industrial resources.

The failure to solve many economic and land problems deterred the development of peasant (family) farms.

The effectiveness of this type of farm was being studied in Chardzhou Oblast, where 100 such farms were registered and were assigned 1,045 hectares of farm land. The resolution of the problems of peasant farms could solve urgent food problems quickly. Suffice it to say that these farms produced 15.2 percent of all farming products

(excluding cotton) and 48.3 percent of all animal husbandry products while occupying only around two percent of all agricultural land.

Public farms have had difficulty raising the level of production, especially in animal husbandry.

The output of meat here decreased by nine percent, the output of eggs decreased by 14 percent, and the output of milk was virtually the same as last year's. There was no increase in the number of productive livestock, and the number of cows and pigs not only decreased, but also displayed a higher rate of epizootic disease.

Purchases of agricultural products and deliveries of these products to the state decreased in proportion to the decline in production levels. Deliveries of livestock and poultry for industrial processing were 8,900 tonnes below last year's figure, deliveries of milk were 2,800 tonnes below, and the purchase volume was short by 29.3 million eggs, 2,300 tonnes of potatoes, 19,700 tonnes of vegetables and melons, and 16,900 tonnes of grapes.

Capital Construction

The new fixed assets financed by state centralized capital investments and the funds of enterprises and organizations were equivalent to R1.6163 billion, or 75 percent of the assignment for the year (in the combined plans of enterprises and organizations).

The priority program covering the most important production facilities was not fulfilled. Of the 28 state-requisitioned priority projects scheduled for completion in 1991, only nine (32 percent) began operating, and the plans for seven projects were not approved.

The completed projects were a technological cement production line at the Bezmein Cement Plant, sewing factories in Bakharden and Gasan-Kuli, a production base in Bezmein, a sewing shop in Kunya-Urgench, and a small mill in Tedzhen. The remodeling of the meat combine in Mary was completed.

Utilized state centralized capital investments amounted to R1.6755 billion, or 106 percent of the limit for the year, and enterprises invested R870.2 million of their own, or 80 percent of the figure in their combined plans.

The volume of unfinished construction financed by state capital investments at the end of 1991 was equivalent, according to preliminary estimates, to around R3 billion and had increased by almost R1 billion during the year.

The volume of contracted work performed by construction and installation organizations increased by seven percent. There were delays in the priority construction projects of construction organizations of the Ministry of Construction (95 percent), Ministry of Communications (92 percent), Ministry of Internal Affairs (97 percent), and the Turkmenneft Production Association (94 percent).

Capital investments totaling R142.2 million were used for clean-up operations in various regions stricken by natural disasters, including R118.4 million in construction and installation work, equivalent to 94 percent and 96 percent respectively of the assignment for the year.

Construction projects in the processing branches of the agro-industrial complex proceeded slowly in 1991. These projects absorbed R70.1 million in capital investments, including R40.5 million in construction and installation work, or 60 percent and 58 percent respectively of the annual limit. One out of every five projects in the processing branches was not completed. Only nine (or 20 percent) of the 44 priority facilities began operating during the year.

Work on the program for the improvement of the water, gas, and electricity supply of populated communities in Turkmenistan in 1991 resulted in the installation of 1,773.1 kilometers of water lines (48 percent of the assignment for the year), 2,962.5 kilometers of gas lines (88 percent), and 1,598.6 kilometers of power transmission lines (88 percent).

Residential buildings with a total area of 2.0207 million square meters were completed with financing from all sources, and the plan for the year was fulfilled by 100.1 percent. The amount of new housing was 17 percent higher than last year's figure. The assignment for the year was not fulfilled in Balkansk Oblast (57 percent), Kirovskiy Rayon (80 percent), Serakhskiy Rayon (84 percent), Ashkhabadskiy Rayon (95 percent), Tedzhen (84 percent), and Ashkhabad (95 percent).

The total area of available housing in the republic had reached 43.6 million square meters by the beginning of 1992, providing each inhabitant with 11.6 square meters of total living area on the average.

The sale of state residential buildings to private citizens continued. More than 7,000 dwellings were sold to the population during the year for R32 million.

General educational schools for 43,554 students, preschool establishments for 11,208 children, hospitals with 1,481 beds, polyclinics for 24—[last two digits are illegible] out-patient appointments a day, cultural centers and clubs with 9,680 seats, and vocational and technical institutes for 520 students were opened.

In comparison with 1990, this was an increase of 0.5 percent in new school facilities, 18 percent for vocational and technical institutes, 10 percent for out-patient clinics, 64 percent for hospitals, and 58 percent for cultural centers and clubs, and a decrease of 18 percent in new preschool establishments.

Transportation and Communications

The sales volume in the public transportation network in 1991 was equivalent to R97.8 million, or 2.5 percent below last year's figure. The following data indicate the decreased service volume of all types of transport except the railroads:

Modes of transport	1991, thousands of tonnes	1991 in % of 1990
Total	97,844	97.5
Rail*	36,791	106.3
Pipeline (oil)	4,367	96.5
Internal waterway	2,040	65.2
Motor	54,623	94.1
Air	23	74.7

* Within earlier borders.

Rolling stock was used less efficiently on certain sections of the railroad.

Cars stood idle for longer periods of time on belt lines and in stations through the fault of enterprises in comparison to the norm and in comparison to last year's figures. This cost economic entities in Turkmenistan R3.593 million in fines.

The amount of freight on the loading platforms of enterprises and railway stations awaiting shipment at the end of December totaled 174,300 tonnes, including 174,200 tonnes of oil and petroleum products.

Losses connected with accidents involving rolling stock remained substantial. Nine cars and three diesel locomotive sections were damaged or destroyed in accidents on the railroads of the Turkmen Administration of Railways in 1991, causing damage estimated at R2.8 million.

Public passenger transport carried 281.4 million people in 1991, which was 11.9 percent below last year's figure, including 6.4 million by rail, or 18.1 percent below, 273 million by bus, or 1.8 percent below, and 2.1 million by air, or 5.4 percent below. Passenger traffic decreased by 0.8 percent and amounted to 9.6598 billion passenger-kilometers, including 2.6755 billion passenger-kilometers by rail, or a decrease of 0.1 percent, 3.5496 billion passenger-kilometers by bus, or a decrease of 1.3 percent, and 3.4347 billion passenger-kilometers by air, or a decrease of 0.7 percent.

Some passenger trains arrived at their final destinations late. There were 107 late arrivals (3.8 percent of the total) on the Ashkhabad timetable and seven late arrivals (1.5 percent) on the Chardzhou timetable. Late plane arrivals represented 13.2 percent of all centrally scheduled flights and 5.1 percent of local flights.

A study of suburban trains carrying passengers to the capital and oblast centers on the morning of 20 December 1991 revealed that 39 percent of the trains arrived late. Suburban buses were 7.73 minutes late on the average.

Public communications enterprises performed services worth R34.7 million for the population in 1991.

The number of basic telephone lines increased by 15,700, which was 1,430 lines below last year's figure.

Foreign Economic Relations

Enterprises and organizations in Turkmenistan shipped goods worth R522.9 million (in domestic prices) for export in the past year. Contract obligations were fulfilled by 97.3 percent. Of the 38 enterprises and associations with an export plan, 13 could not keep up with assignments and failed to deliver products worth R14.5 million.

Turkmenistan now has 11 registered joint ventures. Turkmenistan's foreign economic relations in 1991 were practiced under the conditions of their continued restructuring. The number of participants in foreign economic activity increased substantially and had reached 158 by the end of 1991.

Deputy Foreign Affairs Ministers Appointed

Berdymurad Begliyev

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in Russian 20 Mar 92 p 1

[Decree No 654 by the president of Turkmenistan, issued in Ashkhabad on 19 March 1992, and biographical sketch of Berdymurad Begliyev]

[Text] Comrade Berdymurad Begliyev is hereby appointed deputy foreign affairs minister of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan

Berdymurad Begliyev was born in 1939 in the village of Zau, Kyzyl-Arvatskiy Rayon, Turkmenia. In 1958 he graduated from the polytechnical tekhnikum in the city of Ashkhabad. He worked as a technician-designer and as a stone mason. Begliyev underwent active military service in the ranks of the Soviet Army. From 1965 through 1991 he was engaged in studies and then employed in the diplomatic service in Lebanon and Iraq. Since October 1991 Begliyev has been a consultant for the Committee on Foreign Affairs of Turkmenistan's Presidential Council.

Gurbangeldi Veliyev

92US0407B Ashkhabad TURKMENSKAYA ISKRA
in Russian 20 Mar 92 p 1

[Decree No 655 by the president of Turkmenistan, issued in Ashkhabad on 19 March 1992, and biographical sketch of Gurbangeldi Veliyev]

[Text] Comrade Gurbangeldi Veliyev is hereby appointed deputy foreign affairs minister of Turkmenistan.

[Signed] S. Niyazov, president of Turkmenistan

Gurbangeldi Veliyev was born in 1938 in the village of Keshi, Ashkhabadskiy Rayon, Turkmenia. In 1964 he

graduated from the Moscow State Institute of International Relations of the USSR Ministry of Foreign Affairs.

Upon graduating from the institute, Veliyev was employed in a teaching position at the Turkmen State University and then in diplomatic service in Yemen and Iraq.

From 1986 through 1988 Veliyev was an aide to the president of Turkmenistan's Academy of Sciences for international scientific ties. Since 1989 he has been engaged in diplomatic work in Syria.

Republic Establishes Ties With Syria

92US0386A Ashkhabad TURKMENSKAYA ISKRA
in Russian 26 Mar 92 p 1

[Unattributed article: "Turkmenistan Establishes Diplomatic Relations With Syria"]

[Text] Ashkhabad, 25 March (Turkmen PRESS)—Talks took place today between Turkmenistan Minister of Foreign Affairs A.O. Kuliiev and Syrian Minister of Foreign Affairs Farouk al-Shara', here on an official visit.

The meeting participants discussed prospects for bilateral cooperation and projected reference points for future contacts. The talks concluded in a ceremony of signing a protocol on the establishment of diplomatic relations between the Syrian Arab Republic and Turkmenistan. The document states that the states intend to develop ties in the economic, political, and cultural spheres on the basis of mutual respect, acknowledgement of one another's territorial integrity, and the obligation to refrain from interfering in each other's internal affairs. In accordance with international practice, the parties agreed to exchange diplomatic missions on the embassy level. Embassies will be opened in Ashkhabad and Damascus.

Today representatives of Syrian business circles and Syrian figures in science, culture, and public education arriving within the delegation conducted joint consultations in the ministries and departments of Turkmenistan.

"We see the establishment of diplomatic relations between our states as a first step along the path to development of bilateral, mutually beneficial cooperation. And we are happy that the independence Turkmenistan has acquired allowed this step to be taken," Farouk al-Shara stated in commenting upon the results of the visit.

In the latter half of the day, the guests toured the city, visited the Ashkhabad Carpet Factory, and went to the horse-breeding farm of the republic association Turkmenatlary.

Media Chairman On Financial Restrictions

92US0376A Ashkhabad TURKMENISTAN in Turkmen
8 Feb 92 p 2

[Interview with Gurbangeldi Annamukhammedov, chairman of the State Committee on Television and Radio, by Turkmen Press correspondent: "The Time, Television, Radio"]

[Text] [Editorial introduction] It is the nature of the times that television and radio are everyone's companion and colleague. We present for your attention some answers to questions posed by our Turkmen Press correspondent to Gurbangeldi Annamukhammedov, chairman of the State Committee for Television and Radio under the purview of the President of Turkmenistan.

[Question] The times are changing every day. The Turkmen people are putting into action a consolidated state policy. How do you supervise the state television and radio of an independent state under these conditions?

[Annamukhammedov] Responsible workers of television and radio and specialists in various sectors have been looking for an answer to your question since 22 August 1990, in other words, when Turkmenistan issued its declaration of independence. They have, primarily, worked out a statement of the objectives of the national television and radio of an independent state. This statement of objectives consists of communicating to the people the domestic and foreign policy of the President of Turkmenistan, decrees and decisions issued, explaining them, providing help in translating these decrees into action, and making the people aware of important events. The essence of our objectives is making national culture, literature and art accessible to the people, reviving our best traditions and customs, propagating wisdom, understanding and humanism, and educating the youth in qualities like moral purity, national pride and patriotism.

[Question] I would not be incorrect if I said that you have already begun to implement these objectives.

[Annamukhammedov] True. Of course, we can hardly explain every situation that comes up in depth, appealingly and relevantly. In on-air talks triviality, dryness and superficiality prevail. Journalists, in many of their talks, get confused and lose the point of basic issues. Older journalists cannot escape from old ways of thinking to which they have become accustomed for decades. Among the youth there is a certain poverty of thought. We have hardly attained brevity or relevancy in the talks. For whatever it is worth, we are making the effort to break out of this morass. The talk "Around The Issue" goes directly on the air. The listeners' reactions to it are not bad.

Recently the program "Fatherland" has begun to go straight on the air on television. For this we approached

television work in a new way. It can open up the arena for very major discussions which are not tiring and which can be quite open and enlivening. Only journalists characterized by precision of thought, good vocabularies and expertise can go directly on the air.

[Question] Are there enough such people among the corps of journalists?

[Annamukhammedov] No, there are not enough. Beginning soon, all our journalists and creative workers will be changed over to new working conditions—to a new, competitive contract.

[Question] According to my understanding, the basic goal of Turkmenistan's radio and television should be to enter every heart and household like an old friend. The half-baked, disgraceful films and talks that are shown on television in Turkmenistan are impeding this particular business of state.

[Annamukhammedov] You have touched on a sensitive issue. Many television viewers have given the same response in letters and on the telephone. Television and radio workers in social research and audience research are studying the situation in various places. Especially in rural areas, the majority of the population has decisively said that programs characterized by shamelessness and sex which do not conform to the morals and traditions of the people should not be shown. One has to listen to them.

[Question] How can this situation be prevented? Should one stop showing these films and talks? How does one return again to a principle eliminating or banning something?

[Annamukhammedov] This is the situation. If we were to close down programs from the Center and black out two channels, more than 500 of our highly-skilled engineers and technicians would lose their jobs, equipment worth millions would stand unused and deteriorate. We cannot let our specialists and equipment go because all of them are necessary for the development of national television and to broadcast our own programs in the future. In the future our own talks can replace the programs from the Center.

[Question] That means, if I am not incorrect, that we need another national channel. Would you please talk about preparatory work for this?

[Annamukhammedov] At present the amount of talks on Turkmen television amount to eight hours in a 24 hour period. We are now planning to start up a second program which will include another eight hours of programs. For this we need to build another telestudio complex, or convert one of the existing buildings in Ashkhabad into a studio complex.

If this studio is supplied with modern equipment and close to 500 technical and creative workers, it would become possible to open a commercial channel on Turkmen television which would broadcast for 5-7

hours, receive the best programs from Turkey, Iran, Kazakhstan, Uzbekistan and other countries and broadcast them over Turkmen television. Recommendations, calculations, and trial runs have already been prepared for this work. Commentaries would accompany foreign films. If we can find the means to do it, this work can be completed in three years or, at most, four years. Direct participation in this work by President S. A. Niyazov will create the climate that will further this work.

[Question] We know that every minute on television costs money, a lot of money. But who pays for programs coming from Russia in Turkmenistan?

[Annamukhammedov] Earlier, central television paid. Now, there is no center, and no central television. One of the programs has been declared to be the property of the Commonwealth of Independent States, including Russia. Up until now, the financial issues have remained unresolved. A mutual agreement has not been signed. Now everything, all services, are expensive.

For the 18 hours of programming from the Commonwealth of Independent States we pay 55 million rubles; for the 15.8 hour program from Russia, we have to pay 31.5 million rubles. Some people are bothered by the fact that we have not ended the program from central television and are writing angry letters about it. First, if we do not limit the amount of central programming, the millions mentioned above will increase; second, Moscow concludes its programs at midnight, Moscow time; Turkmenistan's state television concludes its programs at midnight Ashkhabad time. But when major sports events, holiday concerts and programs of interest to the state and our people are shown, they run longer. And we cannot slight them.

UZBEKISTAN

Protocols Signed on President's China Visit

92US0362A Tashkent PRAVDA VOSTOKA in Russian
17 Mar 92 pp 1, 3

[UzA report: "On the Results of the Visit"]

[Text] An Uzbek-Chinese joint communique was signed on the results of the visit of I.A. Karimov, president of the Republic of Uzbekistan, to Beijing. It says, in particular:

At the invitation of Yang Shangkun, chairman of the Chinese People's Republic, a delegation headed by Islam Karimov, president of the Republic of Uzbekistan, paid an official visit to the People's Republic of China from 12 through 14 March 1992.

Important substantive talks were held between President I.A. Karimov and Chairman Yang Shangkun. Negotiations were conducted between Li Peng, premier of the PRC State Council, and President Islam Karimov. In a friendly, sincere, and businesslike atmosphere the leaders of the two countries conducted an exchange of

opinions on questions of Uzbek-Chinese relations and also on questions of mutual interest.

On the results of the bilateral negotiations the parties signed the following documents: a protocol on consultations between the foreign ministries of the People's Republic of China and the Republic of Uzbekistan; agreements between the governments of the two countries on cooperation in the sphere of culture, education, health care, tourism, and sport; on scientific and technological cooperation; intergovernmental protocols on cooperation in the sphere of railroad transport and motor and sea transport; and an agreement on cooperation between the ministries of agriculture of the two countries, an interbank agreement, and other documents were signed also.

The parties unanimously believe that the first top-level Uzbek-Chinese meeting was significant, has determined the principles of mutual relations between the Republic of Uzbekistan and the People's Republic of China, and will contribute to the development of mutually profitable cooperation between the two countries. This corresponds to the interests and cherished aspirations of the peoples of the two countries and will further the preservation of peace and stability in Asia and throughout the world. The parties agree that political contacts and dialogue between the leaders of the two countries are important and useful and that they will be continued in the future.

The parties declare that the Republic of Uzbekistan and the People's Republic of China will develop relations of friendship between their peoples and mutually profitable cooperation between the two countries based on the following principles: mutual respect for sovereignty and territorial integrity, mutual nonaggression, noninterference in one another's internal affairs, equal and mutual benefit, and peaceful coexistence.

The parties will develop in every possible way equal mutually profitable cooperation between the two countries in the sphere of policy and the economy, science and technology, agriculture, trade, transport, communications, culture, education, health care, information, tourism, and physical culture and sport, and also in other fields, and foster the deepening of mutual understanding and the development of contacts.

The parties are unanimous that economic cooperation and trade are an important component of mutual relations between the two countries. The parties will adopt measures to ensure the development of mutually profitable ties in the sphere of the economy and trade exchange and in other spheres.

Each party will within the framework of its national legislation create the conditions conducive to the encouragement of the other party's investments on its territory and ensure their protection for the purpose of the development of joint effective entrepreneurial activity.

The parties will encourage cooperation between state organizations of the parties contributing to the development of diverse relations between Uzbekistan and China.

The parties will develop bilateral cooperation in the sphere of environmental protection and in the solution of ecological problems and will also endeavor to develop new spheres of cooperation based on mutual trust, equality, and mutual advantage.

The Government of Uzbekistan has established official relations with the Government of the PRC and will maintain relations only with the Government of the People's Republic of China, being the sole legitimate government of China.

The Government of the People's Republic of China supports the position of the Government of the Republic of Uzbekistan advocating assurance and defense of the national and economic independence of the Republic of Uzbekistan and supports the aspiration of the Republic of Uzbekistan to become a member of international organizations.

The Republic of Uzbekistan and the People's Republic of China advocated the establishment of a new just international political and economic order based on the five principles of peaceful coexistence set forth in this document, which corresponds to the interests of the development of mankind and the assurance of peace throughout the world and also reflects the common aspirations of the peoples of all countries.

The parties confirm their devotion to the aims and principles of the UN Charter and support an increase in the authority of the United Nations and the United Nations playing an even bigger part in international affairs, the solution of questions of a global nature, and the settlement of regional conflicts. All states, big or small, strong or weak, rich or poor, have the right to be full members of the international community and to participate in international life on an equal basis.

Troubles of Samarkand Society Leaders Viewed

92US0394A Moscow MOSCOW NEWS in English
No 12, 22-29 Mar 92 p 5

[Article by Vladimir Yemelyanenko: "Uzbekistan: Political Asylum in Russia?"]

[Text] Current socio-political life in Samarkand is determined by three seemingly unconnected events: the republican President's signing of the Helsinki Human Rights Accords, Uzbekistan's entering the UN, and the closing of Samarkand's Pedagogical Institute.

The latter news (incidentally as the other two) was learned by the students and lecturers from a television report. Now they are facing a choice between submitting to the surprise move of incorporating the institute into the local university or turning for help to the national

committee for human rights which recently emerged in Tashkent. The "Samarkand" public organization rallying Uzbekistan's ethnic Tajiks has been in a similar situation for a year now. The officials' refusal to recognize and duly register the organization resulted in "Samarkand's" split into three different groups, each bearing the same name.

One group, resigning from politics, has gotten the coveted status of a social organization, while the other two groups which are demanding equal rights for the Tajik-speaking minority of the republic remain officially unrecognized. Their situation of being unrecognized organizations is exacerbated by the repeated court trials of their leaders. "Samarkand's" Secretary, Uktam Bekmukhamedov, initially got two years of imprisonment. Afterwards, Benik Bagdasaryan, honorary member of the organization and Armenian national, got three years at an enhanced-security prison camp for allegedly "carrying and possessing fire arms." Dzhomol Mirsaidov, their collaborator and university professor, has been fired from his position.

Almost all leaders of the rebellious "Samarkand" have found themselves out of work. Valentina Yakovchuk managed to get her job back by a court decision, but shortly thereafter her job was announced redundant. Aziza Yusupova, chairman of Samarkand's Board and an institute lecturer, remains the only one retaining her job, but the institute will soon be closed and half of all lecturers dismissed.

This quiet getting rid of undesirables keeps the institute's staff from calling an open strike or demanding an explanation for the institute's closure from the regional

administration. Everyone remembers how the action brought against Uktam Bekmukhamedov resulted in a prison sentence, and his counterclaim was rejected, despite the fact that a medical examination revealed 24 bodily injuries on and in Bekmukhamedov, including a concussion.

Statements from the lawyer who defended Bagdasaryan to the effect that there was no proof that Bagdasaryan really possessed a pistol were likewise ignored. Finally, the firing of Professor Mirsaidov, who had given the court proof of bribery at the university, demonstrated that all appeals for respecting human rights and the law, were futile and ridden with the danger of losing one's job.

"I have only one hope," said Valentina Yakovchuk, "to speak directly with President Karimov. Otherwise I will seek political asylum in Russia." People from the soon to be disbanded institute and the two unregistered societies are going to petition the President as well. When asked by MN about the reason for refusal to register "Samarkand" and for sacking and framing the "Samarkand" activists, chairman of the regional court Ikram Sadykov replied: "I refuse to speak to a foreign journalist."

After the local authorities also refused to speak with people who had lost their jobs, and following the failure of the commission of the republican Supreme Soviet, headed by Erkin Vakhidov, which "buried" the cases in the bureaucratic archives, the lecturers of the Pedagogical Institute and other "Samarkand" supporters lost all faith in the law. The last remaining hope for them is President Islam Karimov, who signed the Helsinki Human Rights Charter.

ESTONIA

Results of 'Soviet Occupation' Studied

92UN0458A Tallinn RAHVA HAAL in Estonian
19, 20, 22, 23 Oct 91

[Article by Leo Talve, chairman EORL Memento Information and History Task Force: "Half of Estonia's Population Suffered Under Repressions: A Review by Memento's Task Force on Information and History"]

[19 Oct 91 p 6]

[Text] What follows is an attempt to review the ways in which the Soviet occupation affected the population structure of Estonia. There is a need to explain and quantify some of the major factors that changed population figures, and the extent of the effect each of these factors had. The review is compiled by using the total method.

The whole period to be examined is divided into three parts, the lengths of which vary. The first Soviet occupation period is viewed from January 1, 1939, the German occupation from December 1, 1941, the date of the census carried out by that regime, and the second Soviet occupation from January 1, 1945, when the city of Petseri, along with 10 Estonian parishes were illegally separated from Estonia, up until the last census taken on January 1, 1989.

Included are only citizens of the Republic of Estonia and their offspring; immigrants who arrived during the second Soviet occupation are not included, except for the Union Estonians.

The beginning and the end of each period is fixed by the census data, hence the accuracy down to one person.

The transition from the German period to the second Soviet occupation represents an exception. As of January 1, 1945, Estonia's total population is put at 910,200 by official Soviet statistics. At this time, the city of Petseri and 10 parishes were separated from the territory of Estonia, along with a population total of 56,200, 19,400 (34.5 percent) of which were Estonian.

Thus, the population figure for Estonia, within its reduced territory, was put at 854,000. To apply the total method, we had to reduce the officially given figures by 45,000 in our calculations. Thus, the population of Estonia as of January 1, 1945 is put at 865,200 and, after the reduction of the territory, at 809,000.

Because of the large Estonian proportion of the population at the beginning of the second Soviet occupation, and because there was an intensive influx of immigrants during that period, only home-based and Union Estonians, and non-Estonians in their pre-war proportions, have been included in calculating the total population for that period.

The calculated total of Estonians at the beginning of that period was 787,000 and, at the end of that period, 963,269 (the census of 1989), which included 80,300 Union Estonians.

Featured here are some of the major factors that caused changes in the structure and the numbers of the population. The precision may vary considerably for some of the individual numbers but, thanks to the census data and the use of the total method, combined data for both the individual periods and for the entire 50-year period can be considered relatively accurate.

With the help of continuing research, it is possible to achieve even more accuracy within the overall scheme presented below. Correct data regarding human losses would form a basis for compiling an objective history of Estonia's occupation period.

Dynamics of Estonia's population 1939 to 1989

a) First period of Soviet occupation

Estonia's population:

01.01.1939—1,133,940, including 1,000,360 Estonians (88.2%);

01.12.1941—1,017,425, including 907,972 Estonians (89.2%).

Cause for change in population total	Total	Including	
		repressed	perished (killed)
1. Resettlement to Germany			
1939—11,763; 1940—2,640; 1941—7,000	21,400	—	—
2. Fleeing abroad			
(Finland, et al)	500	500	100 (20%)
3. Human losses due to Red terror			
(ZEV-data, basically)	55,110	55,110	39,485 (70%)
including:			
—arrested by NKVD	8,000	8,000	7,840 (98%)
—murdered by strike units, Red army and NKVD	1,850	1,850	1,850 (100%)

a) First period of Soviet occupation (Continued)

—vanished without trace	1,100	1,100	1,045 (95%)
—seized on the job	1,860	1,860	930 (50%)
—Deportations, June 1941	10,200	10,200	6,000 (59%)
including:			
—men (18 and over)	3,340		3,270 (98%)
—women and children	6,860		2,740 (40%)
—recruited by the Red army	32,100	32,100	21,220 (66%)
including those perished:			
—on their way to the Soviet Union			3,210 (10%)
—in NKVD labor battalions			12,840 (40%)
—at the front			4,170 (13%)
—arrested by NKVD			1,000 (3%)
4. Retreated into Pskov oblast as part of the 22nd Territorial Corps	5,800	5,800	120 (2%)
5. Evacuated to the Soviet Union	26,275	—	5,250 (20%)
including those perished:			
—in transit			2,625 (10%)
—in the rear			2,625 (10%)
6. Killed at the start of German occupation (including 921 Jews, 234 Gypsies)	4,000	4,000	4,000 (100%)
7. Natural population growth	-3,380	—	—
Total	-116,465	65,410	48,955 (42.0%)

b) Period of German occupation

Estonia's population:

01.12.1941—1,017,475, including Estonians 907,922 (89.2%);

01.01.1945—865,200, including Estonians 806,400 (93.2%).

Cause for Change in Pop. Total	Total	Including:	
		Repressed	Perished (Killed)
1. Killed 1942 to 1944 (includes 1,000 Jews)	2,600	2,600	2,600
2. Victims of air raids (Tallinn and elsewhere)	1,000	1,000	1,000
3. Inhabitants destroyed by the Red army in 1944	150	150	150
4. Sent to prison camps in Germany	4,000	4,000	1,000 (25%)
5. Sent to labor service in Germany	800	800	40 (5%)
6. Recruited by German army	59,000	59,000	14,000 (23.7%)
including:			
—killed in Estonia and Latvia			6,500
—killed at other fronts			7,500
—including Silesia			2,000
—drowned on Muoro			1,500
—in Czechoslovakia			1,000
7. Fled West from Estonia	68,000	68,000	
including those perished in transit			6,800 (10%)
8. Fled to Finland	3,350	3,350	

b) Period of German occupation (Continued)

including			
—killed or missing in action		200	
—stayed in Finland or went West	1,200		
—returned to Estonia;	1,950		
including:			
—felled at the Estonian front			150
—went West	300		
9. Felled in Domestic Defense activity	500	500	500
10. Estonian Swedes resettled to Sweden	7,500	—	—
11. Additional recruitment by the Red army	2,500	2,500	250 (10%)
12. Arrivals to Estonia:			
a) during period from 01.12.41 to 01.09.44			
—Ingrians	2,425	—	—
—Union Estonians	1,400	—	—
b) during period from 01.09.44 to 01.01.45			
—those evacuated in 1941	3,000	—	—
—Union Estonians	2,000	—	—
13. NKVD started arrests (September through December, 1944)	2,000	2,000	500 (25%)
14. Natural population growth	-12,200		
Total	-152,275	143,900	29,190 (19.2%)

[20 Oct 91, p 4]

[Text]

c) Second period of Soviet occupation

Population in Estonia:

01.01.1945—865,200, including pop. in reduced territory 809,000.

Estonians in reduced territory:

01.01.45—787,000 (97.3%);

01.01.89—963,269 (61.5%).

Cause for change in population total	Total	Including:	
		Repressed	Perished (killed)
1. Illegal separation of Põltsi and 10 parishes (pop. 56,200, Estonians 34.5%)	19,400	—	—
2. Illegal NKVD arrests:			
—those who had served in German army (82% out of 38,200), including those who surrendered at Porkhov—5,200	31,380		6,270 (20%)
—those who served in the Finnish army (80% out of 1,500)	1,140	230 (20%)	
—forest brothers	16,000	8,000	4,000 (25%)
—“nationalists”, dissidents	24,000	24,000	4,800 (20%)
—“kulaks”	2,650	2,650	530 (20%)
Total	75,150	34,650	15,830 (21%)
3. “Soviet activists” killed	300	300	300
4. Deported 1949 to 1951	30,000	30,000	3,000 (10%)
5. Returned to Estonia.			

c) Second period of Soviet occupation (Continued)

—evacuated in 1941	18,000		
—recruited by Red army:			
—in 1941	10,900		
—1944 to 1945	2,250		
—from the 22nd Territorial Corps	480		
—from German prison camps (50%)	1,000		
—from German labor service (50%)	380		
—from those arrested in 1944	1,500		
—those who served in the German army:			
—from camps and prisons	25,000		
—from the front	7,840		
—those who served in the Finnish army:			
—from camps and prisons	910		
—from the front	300		
—those deported in 1941 (95% of 4,185)	4,000		
Total	72,560		
6. Union Estonians arrived	76,945		
7. Natural pop. growth 1945 to 1959 + 14,140 (1.1 mil);			
1960 to 1989 + 31,754 (1.9 mil)	45,894		
Total for the period	+176,269	64,930	19,130

Dynamics of population during different occupation periods

	Actual population decrease	Repressed	Perished (murdered)
First Soviet period	116,465	65,410	48,955
German period	152,275	143,900	29,190
Second Soviet period	75,330	64,950	19,130
Total	344,070	274,260	96,275

Decreases in non-repressed population groups

Case	Number
Resettlement of Germans	21,400
Resettlement of Swedes	7,500
Separation of Pitsari and 10 parishes	56,200
Total	85,100

Presumed number of women among those perished

(I—3)	from those arrested 1940 to 1941	1,000
	from those murdered in 1941	700
	from those vanished in 1941	500
	from those deported in 1941	2,000
(I—5)	from those evacuated in 1941	3,500
(I—6)	killed during German occupation	500
(II—2)	perished in air raids	400
(II—3)	perished in the battles of 1944	100

Presumed number of women among those perished (Continued)

(II—4)	in German prison camps	300
(II—5)	in German labor service	20
(II—7)	in flight to the West	4,000
(II—13)	those arrested by the NKVD in 1944	100
(III—2)	perished in resistance movement	1,500
(III—3)	killed as "Soviet activists"	100
(III—4)	of those deported in 1949	2,000
Total		16,700 (17.3%)

Number and fate of those serving in the German army

Total recruited	59,000
Surrendered under Porkhov	5,200
Perished in combat	14,000
Escaped to the West	11,000
Sent to prison camps	31,000
Perished in prison camps	6,300
Returned from prison camps	25,000
Returned from the front	7,800

Basic groups of Estonia's human losses from 1939 to 1989

1. Resettlement and separation from Estonia (18.7%)	85,100
including:	
—resettlement to Germany	21,400
—resettlement to Sweden	7,500
—separating city of Petseri and 10 parishes	56,200
2. Fleeing West from Red terror (16.5%),	75,000
including:	
—directly from Estonia	61,000
—from the German army	11,000
—from the Finnish army	1,500
—from German prison camps	1,000
—from German labor service	400
3. Perished or murdered (21.1%)	96,300
including:	
—due to genocide (75.4%)	72,600
—due to hostilities (20.2%)	19,500
—due to evacuation to the Soviet Union (5.4%)	5,200
Women among the perished (17.3%)	16,700
4. Those not born, based on pop. growth of 3.7 mil (43.7%)	199,000
including Estonians (88%)	175,000
Total	455,000

Total human losses of 455,000 people constitute 33.2% of the probable population of Estonia, excluding immigrants, estimated for the year 1989—1,370,000.

[22 Oct 91 p 4]

[Text]

Demographic processes in occupied Estonia

It is useful to measure the losses in Estonia's population, including the probable human losses during the whole 50-year occupation period, in two different ways—by using the maximum and the minimum method. In the case of the maximum option, we compare the possible growth of Estonia's population with the actual growth of the Finnish population over the same period; in the case of the minimum option, we proceed from the actual population growth for the Republic of Estonia between the years of 1920 and 1940.

The population of Finland grew during the given time period from 3.8 million to 5 million (31.6 percent, at an average annual growth rate of 5.45 mil). Hence, Estonia's population, applying the maximum option, could have grown to:

$1,316 \times 1,133,940 = 1,492,000$ people, including 1,313,000 (88 percent) Estonians.

According to A. Ruusmann, the natural population growth in the Republic of Estonia within the period from 1920 to 1940 was 4.0 percent (1.9 mil a year). Over 50 years, this would have been 10 percent. According to this, the minimum option, the population of Estonia would have grown to:

$1.10 \times 1,133,940 = 1,247,000$ people, including 1,097,400 Estonians.

It is known that we are dealing with one of the lowest rates of natural population growth in Europe.

Since the level of Finland's natural population growth can obviously not be met by us, and the population growth going back to the Republic of Estonia is not quite adequate, we have chosen to take the median value between the maximum and the minimum options as a viable method for further analysis of population figures in Estonia. The latter could also be achieved in practice.

The leading indicators for this analysis have been determined by use of the calculation method described to outline the impact of genocide, and also that of emigration and hostilities, on the demographic processes in Estonia during the period between 1939 and 1989.

Human losses in Estonia's population between the years of 1939 and 1989

Calculated size of Estonia's population in 1989	
—(without immigrants)	1,370,000
—including Estonians (88%)	1,205,000
Home-based Estonians and their offspring preserved	883,000
—hence: calculated human losses among Estonians	322,600
Calculated natural rate of population growth for Estonians (3.7 mil)	205,200
Estonians not born	
—at actual natural growth 30,314 (0.7 mil)	175,000
Calculated human losses for the Republic of Estonia (33.2%)	455,000
including	
—those resettled or separated from Estonia	85,100
—those escaped to the West from Red terror	75,000
—those killed or perished	96,000
—those not born	199,000
determined on the basis of 3.7 mil natural population growth for Estonians)	
Actual population losses during the Republic of Estonia period	344,000
—including those repressed	274,000
By 1959, those repressed included:	
—perished or murdered	91,000
—fled to the West	75,000
—freed from prison camps	59,300
—freed from deportation colonies	25,000
—discharged from the Red army	13,000
—other causes	10,700
Perished or murdered	96,300

Human losses in Estonia's population between the years of 1939 and 1989 (Continued)

including:	
—due to genocide (74.4%)	71,600
including:	
—during Soviet occupation (66.5%)	64,000
—during German occupation (7.9%)	7,600
—due to hostilities (20.2%)	19,500
—evacuated to the Soviet Union (5.5%)	5,250
Women among those perished (17.3%)	16,700
Estonians living in the Soviet Union in 1989	1,027,255
—in Estonia (93.8%)	963,269
Number of Union Estonians diminished between 1939 and 1989	
—(probably resettled in Estonia)	80,250
Total inhabitants in Estonia in 1989	1,565,662
Proportion of home-based Estonians in Estonia in 1989	56.4%

[23 Oct 91 p 6]

[Text] The official Soviet information released after World War II, including historical research and commentary accompanying census data, has attributed the abnormal sex and age structure of the Estonian population, and Estonians in particular, to wartime hostilities only. Actually, the prime reason turns out to be the Soviet genocide policy, since Estonia's human losses due to hostilities—19,500 people—only account for one fifth (20.2 percent) of the total perished.

At the same time 71,600 casualties (74.4 percent) can be attributed to genocide, 64,000 (66.5 percent) of them during the Soviet occupation, and 7,600 (7.9 percent) during the German occupation. Thus, the principal cause of death for the 96,300 Estonian inhabitants perished by 1959 was genocide, which accounts for three out of every four deaths.

Men make up the majority of those perished—close to 80,000 (82.7 percent), while the proportion of women is assumed to be in the 16,000 to 17,000 range (17 to 18 percent). It was basically due to these figures that the sex and age structure of home-based Estonians became skewed.

Also mentioned among significant factors should be the constant state of fear and stress, caused by continuing repressions in the form of extensive arrests and deportations, preferential placement of immigrants into existing apartments (primarily families of military and NKVD staffers), meager (25 to 35 percent) allotment of new apartments to local residents, plundering of the national economy, and other such. This impaired the natural process of reproduction over a long period of time.

Added to this was the massive exodus to the West, recruitment of 100,000 men into the occupation forces,

and other factors. Already after the first period of Soviet occupation, as of 01.12.1941, the female-male ratio was 1.26.

Here, we also have to recall the criminal nature of the Molotov-Ribbentrop Pact. Both parties to the pact became repressors of the Baltic nations. The Red terror started immediately after the "spheres of interest" were occupied. The greater part of executions and murders were committed in retaliation for the NKVD's crimes.

Determining Those Who Were Repressed

First, we have to determine who are the people who belong to the repressed category. We proceed from the principles of international law and rely on the following determination.

A **repressed person** is a citizen of an annexed state, in relation to whom the occupation powers of a neighboring state have applied (or intend to apply) arbitrary measures of pressure in violation of international law (expropriation of property, recruitment into the occupying forces, deportation from the home country, physical destruction and others), so as to secure its occupying power within the annexed territory for an unlimited length of time.

Whereby a **victim of repression** is a repressed person, who has lost his life due to the pressures imposed on him in violation of international rights.

Based on the above data, close to 275,000 persons out of Estonia's population have been repressed directly. To this should be added family members of repressed persons, who have often been driven out of their farms and their homes, deprived of their property, barred from employment in specialized fields or on the level of their qualifications, prevented from continuing their education according to ability, especially higher education, and other such.

So far, there is no data available on the number of persons repressed indirectly, but there is no reason to assume that the number of indirectly repressed be any smaller than that of those repressed directly (hence at least 275,000). Thus, a total of more than half a million people were repressed. In other words, **every other inhabitant of the Republic of Estonia has been subjected to criminal acts stemming from the genocide policy of the CPSU, while every fifth of them had to sacrifice his life.**

Accounting for the 75,000 Estonians who fled to the West has been done by those involved. Our help is also available, should it be needed.

The rest—close to 200,000 repressed persons—are waiting to be accounted for. This is a job that should be organized and coordinated directly by Memento's task force for information and history, with some help expected from the Estonian Heritage Society.

A lot of the work has already been done by individual researchers, at their own initiative and within their own home communities, such as Jutta Vessik in Saaremaa, Enno Piir in the Viljandi district, Madis Liivet in the Võru district, Erich Erilt and August Kondoja in the Viru district and many others.

The number of people rehabilitated by the legal protection authorities of the Republic of Estonia is close to 50,000, which represents only a quarter of those to be reviewed. That leaves us with only one way to gather data about the rest—to ask people. To date, there have been some 10 different questionnaires circulating in Estonia. Results show that this is not a job to be handled by individuals, nor can it solve the problem.

We have to acknowledge the fact that the occupation in Estonia lasted half a century. The average age of the surviving repressed persons is high, and their numbers dwindling steadily. Even though information obtained from the repressed persons themselves is the most valuable kind to have, in our surveys we often have to rely on their offspring, relatives, acquaintances and fellow-sufferers.

Considering these factors, Memento's information and history task force is organizing a state-wide demographic and statistical research project by means of a survey based on a questionnaire.

Accounting for all repressed persons and compiling listings of them is too voluminous a task to be community-based. Since this is an urgent matter of state-wide significance, we are applying for necessary funds (salary, money for office equipment, business travel, etc.) from the government of the Republic of Estonia to form a 10-member research group.

Preliminary help can also be given by sponsors—Estonian-minded and Estonian-speaking work collectives, since we are dealing with determining the fate of these workers and their relatives. Estonians abroad could

help this enterprise, for example, by providing some of the necessary office equipment.

Any proposals for complementing the data offered in this context, and for supporting the work being planned (sponsorship, help in the form of savings or services, etc.) should be addressed to: EORL Memento Information and History Task Force, 200090 Tallinn, P.O. 3666.

Expected Citizenship Applications Fail to Materialize

92UN1178A Moscow NEZAVISIMAYA GAZETA
in Russian 3 Apr 92 p 3

[Article by Aleksandr Gushchin and Ilya Pobedonostsev: "6000:0 in Favor of Russian Federation"]

[Text] General Director of the Passport Department Linnar Liivamagi of the Estonian Ministry of Internal Affairs announced that not a single petition for naturalized citizenship in the Estonian Republic had been submitted as of 31 March, at the same time that as many as 6,000 applications for Russian citizenship have accumulated in the Russian diplomatic office.

Recall that according to the Estonian Republic Supreme Soviet decree "On Enacting the Law on Citizenship" (NEZAVISIMAYA GAZETA, No 58), foreigners and persons without citizenship permanently residing in Estonia could petition for Estonian citizenship beginning on Monday, 30 March. An exception was made for those "nonnative" residents who had registered earlier with Estonian citizens' committees as applicants for republic citizenship, and for "persons having rendered special services." While the residency requirement is not applied to the former, the latter are also excused from the language requirement. Nonetheless, both must undergo a naturalization procedure, albeit an easier one, in March.

Last month not less than 40,000 new citizens should have come into being. However, as usual, the decision of the legislators crashed against the inertia of the bureaucratic machine. In the words of Liivamagi, a petitioner had to go to the passport desk with a personal application, a document indicating his occupation or education, a certificate indicating that he had passed the Estonian language examination, and information on his property status and source of income. He also had to pay a fee of from 50 to 200 rubles. It was revealed that the blanks and lists of the appropriate information had still not been prepared, and in Tartu for example, the passport desk has no instructions at all on this account.

Delays in establishing the naturalization procedure foreseen by law (for practical purposes it has not even been started yet) is aggravated by the long time it takes to obtain all of the necessary information, and especially by the language requirement. The fact is that the authors of the law on citizenship and of the procedures of its application asserted that they were democratic because after 2 years' residency in Estonia, a person could submit a citizenship petition, after which time he would be

allowed another year to study the language. But as it turns out, the document attesting to fluency in the state language has to be submitted together with the application. However, the requirements on knowledge of Estonian have still not been determined, though in any case they will exceed what is needed for everyday usage. And if we consider that there is no state system for providing instruction in the state language to adult residents of the republic, that the throughput of the examination commissions is simply negligible, and that thousands of Russian-speaking residents who are fluent in the language did not feel it necessary to obtain some sort of certificate as well, mass adoption of Estonian citizenship appears doubtful. It is quite evident that this process has been sabotaged, and that it will be stretched over many long years. It is precisely against this that Narva's trade unions are fighting, threatening the government and the Supreme Soviet with civil disobedience.

Russian Ministry Protests Estonia's Citizenship Provisions

92UN1178B Moscow IZVESTIYA in Russian 13 Apr 92 Morning Edition p 2

[Article by Leonid Levitskiy: "Diplomats Write Notes, Power Engineers Write Ultimatums"]

[Text] The Russian Ministry of Internal Affairs expressed its concern to the government of Estonia regarding the parliamentary decree "On Enacting the 1938 Law on Citizenship in the Estonian Republic." In the opinion of the Russian diplomatic service it conflicts with international law and infringes upon the political and civil rights of the Russian-speaking population. On the other hand the Estonian government asserts that the parliamentary decree corresponds fully with international acts and treaties between Russia and Estonia. The Presidium of the Supreme Soviet supported the government's point of view.

But in Estonia itself, passions centering on the mechanism of enacting the citizenship law are not abating. The Estonian Committee (it represents national-radical forces) condemned the parliamentary decree as harmful to revival of the Estonian state. The Central Council of the Russian Democratic Movement (this organization is quasi-legal, since it has still not registered) appealed to the United Nations and to the international community to put pressure on Estonia and to prevent hundreds of thousands of people from being left without citizenship. Nonetheless by its decree the parliament divided the population of Estonia into citizens of the Estonian Republic and foreigners. The approximate ratio—one and a half citizens per foreigner—fully reflects the population's national structure.

Foreigners are anyone who came after 1940. For the moment they are officially deprived only of political rights and the possibility of land acquisition. But the leaders of the Estonian Committee have already stated on several occasions that the state is obligated to protect

the interests of citizens, and that it has no responsibility before foreigners. For example it has been proposed that coupons and food should be distributed primarily among citizens, and an airline company is seriously considering a plan to introduce different ticket prices—cheaper for citizens, and more expensive for everyone else.

It would be naive to suppose that "foreigners" will quietly accept their secondary status. The local Russian community just recently met with parliamentary deputies and buried them in an avalanche of pain and anger. It was also demanded that the Russian government should not withdraw the army until the problems of the Russian-speaking community are solved.

The speakers warned of mass unemployment for noncitizens, dismissals, and evictions. A representative from Narva said that people were ready to lie down on the wet asphalt on the road between Narva and Tallinn, and even across the rails.

But delegates to the congress convened by the movement, which rejects the use of force in the political struggle, did not support the rail idea, with which they were acquainted from the Dniester experience. One speaker, the well-known sociologist Yuri Tammarun, appealed for sobriety and reason. Which makes it even more important to listen to his arguments.

"The decree of the Supreme Soviet legalized the society's division into full-fledged and second-rate members; it legalized *de facto* segregation based not on race but on a formally legal principle, which does not change the essence of the matter."

Need we say that under these circumstances, the patience of many is running short? The political fuse was first lit in the northeast, in which major industry, mines and power plants are located, and which is dominated by the Russian-speaking population, which has already been hit by an economic crisis. Participants of a trade union conference of power engineers were unanimous in Narva: The nonnative population was being forced into "nonviolent" emigration.

Citizens of Narva demanded that the parliament restore former economic ties with Russia, avert mass unemployment and foresee a procedure for granting citizenship. These demands were reinforced by an announcement of the strike committee chairman and a warning that the society had crossed the line beyond which civil peace could no longer be.

There is perhaps but one solution—to put an end to opposition. There is a Russian-speaking community in Estonia, and it will always be there. It is now striving as never before for partnership and alliance with the Estonian community, for joint construction of an independent, flourishing, free state.

The desire to return to the former structure of the population—92 percent Estonian and 8 percent foreign—can be understood, as can the hope for swift

departure of 300,000 Russian-speaking citizens in the wake of the army. But neither one nor the other is hardly possible. And not because this is not permitted by Russia or the international community, but because the "foreigners" have simply nowhere to go.

Estonia's Railroads on the Verge of Bankruptcy

92UN1194A Riga *BALTIYSKAYA GAZETA* in Russian
No 7, Mar 92 p 1

[Article by Harri Treyal: "The Estonian Railroads Are—On the Verge of Bankruptcy"]

[Text] The volume of freight shipments in February of this year, as reported by the deputy general director of the Estonian Railroad, Mart Koll, was just 40 percent of the indicators for February of 1991. Only the volume of freight shipments passing through ports remained unchanged. The railroads are hauling 200 railcars of grain a day from the port of New Tallinn. Motor vehicles and coal from Russia going for export are coming in from Russia at almost their former volume.

The amount of passenger transport has also decreased. The reason is the rise in prices for tickets and the unpleasant procedure for crossing the state border.

M. Koll: "Last year a tonne of diesel fuel cost us roughly 220-250 rubles, but in February of this year it was up to 13,000. And that means that we have to put out a million a day for fuel."

[Question] "But the Estonian Railroad, after all, is also operating to a certain extent in Russia and delivering grain there. Can't we demand fuel in exchange?"

M. Koll: "Estonia takes money from a freight shipper only for the passage of freight across its territory. Russia does for passage across its own. But the ports and expediting offices located in Estonia are adhering to the old payment procedure, and pay for the full amount of the shipment. That money comes to us through Russia as a result, and with a considerable delay.

"Some dubious intermediary offices are also engaged in the shipment of grain and other foods. The money does not turn up in the accounts with them endlessly. They owed the railroad 10 million in January alone."

[Question] "The rise in prices for rail tickets has already reduced passenger traffic. The prices went up even more as of March 1. Aren't you afraid of being left without passengers?"

M. Koll: "We are almost bankrupt already! The daily Tallinn—Pärnu—Riga train has already been canceled. One Moscow, one Pskov and one Petersburg train will be following them by the end of March. Only two Petersburg, two Moscow and a Riga train, along with the Chayka linking the capitals of the Baltic countries and Byelarus, will remain among the long-haul trains."

[Question] "Freight shipments will obviously also be costing more?"

M. Koll: "That is inevitable. Our expenses were 60 million and our income was 40 in February. The government has canceled subsidies, and feels that the railroad should extricate itself as best it can. We will have to resort to an extreme measure—personnel cutbacks. We will have to dismiss about two thousand people over the first quarter, and eliminate as many unfilled positions in the organizational chart as well."

Radio Kuku Begins Broadcasting

92UN1091E Tallinn *THE BALTIC INDEPENDENT*
in English 6-12 Mar 92 p 6

[Unattributed article: "New independent radio station on Estonia's airwaves"]

[Text] In what its founders hope will be strong competition for the state-run Estonian Radio, the country's newest radio station, Radio Kuku went on the air on March 1.

Among the station's leading broadcasters are such well known Estonians as the commentators Harri Tiido, the singer Ivo Linna, and a musician especially popular among young people, Mihkel Raud. The proprietors include Estonia's most famous media baron, Hans H. Luik (founder of the republic's largest weekly, *EESTI EKSPRESS*) and Erki Berends, formerly a well-known voice on Estonian Radio.

Broadcasting on FM frequency 100.7 MHz, Radio Kuku can be received by listeners within a 30 kilometer radius of Toompea Castle. Programming consists of music and commercials, and half-hourly bulletins of local and international news, based on the services of REUTERS, AGENCE FRANCE PRESSE, the ESTONIAN NEWS AGENCY and the BALTIC NEWS SERVICE. English and Finnish-language broadcasts for tourists are under consideration.

Radio Kuku is the first independent commercial broadcaster in the Estonian capital. Two other new radio stations, in Tartu and Voru, went on the air last year.

LATVIA

Army To Be 9,000 Strong

92UN1189B Tallinn *THE BALTIC INDEPENDENT*
in English 20-26 Mar 92 p 3

[Text] Latvia cannot afford a big army, Chairman of the Latvian Parliamentary Defence Committee Peteris Simonis said at a meeting with German MPs in Riga. "At present we intend to set up an army of 8,000 to 9,000 men," Mr Simonis said. He could not rule out the existence of Soviet nuclear warheads in Latvia.

In Mr Simonis' view, Latvia will "not become a 'neutral' state in the classical sense of the word."

Conditions Set for Monetary Reform

92UN1189A Tallinn *THE BALTIC INDEPENDENT*
in English 20-26 Mar 92 p 3

[Text] The Bank of Latvia is ready to face up to the galloping rouble inflation, President of the Bank of Latvia Einars Repse said, speaking on monetary reform in parliament.

If the Moscow banks fail to send Latvia sufficient amounts of roubles, then Latvia will print its own roubles. This would also be done if the countries in the rouble zone decide to introduce their own currencies. If this does not happen, Latvia would introduce its own currency without any intermediary phase, the bank president said.

According to Mr Repse, the printing of Latvian lats would be completed by the end of September. However, the new currency would not be introduced immediately but at some later unspecified time.

The exchange rate of the lat will be 1 ECU or 2 German marks, Mr Repse said. One thousand roubles will be equal to 7.40 lats. The question of exchanging people's rouble savings has not been decided yet, Mr Repse said. The matter will be decided by parliament, he added.

Supreme Council Deputy on Hard Currency Problems

92UN0923A Riga *ATMODA* in Latvian No 51,
23 Dec 91 p 2

[Interview with Supreme Council deputy Indulis Ozols by Gints Grube; place and time not given: "Worries About Hard Currency"]

[Text] In the Supreme Council.

For several years now public mention has been made of various Latvian hard currency reserves in Western banks; the reality has now become more or less enterprises profiting from hard currency deals. As it has developed, there is no real clarity about these processes even in the Supreme Council; that is why the deputies last week passed a decree on the status of the Republic of Latvia's gold and hard currency reserves, the status of holdings and the development of a hard currency budget for the Republic of Latvia for the first half-year. The author and initiator of this completely actual and important decree is SC [Supreme Council] deputy Indulis Ozols.

[Grube] What was the source of the idea that the Supreme Council should pass such a decree, and to what extent are the RL [Republic of Latvia] hard currency reserves now known?

[Ozols] By this decree the Supreme Council requires the government to inform the parliament of the status and condition of Latvia's holdings. Translating literally "avuars" [holdings] means an object or property, but in financial and economic terminology it is understood to

mean a state or other legal person's precious metals, securities or hard currency accounts in foreign banks, which are utilized according to the direction of the corresponding legal person. It is known that we have such accounts in France, England, and America, where before 1940 the Republic of Latvia's gold was deposited. Similarly it is known that securities are in Switzerland, but in America some part of our gold dollars were sold and realized in securities. Nothing at all is known right now about the status of these holdings, their nominal value, or the securities. We are even less informed about who is working on them and on the basis of what law, although I know that these instruments are used to cover most of our foreign ministry's expenditures outside Latvia.

[Grube] The decree gives the Republic of Latvia's Council of Ministers until 31 January 1992 to submit the Republic of Latvia's SC 1991 hard currency and foreign trade balances. How would you comment on that?

[Ozols] The foreign trade department is responsible for all foreign trade questions. Parliament is not informed about these processes. I am the leader of the hard currency commission, but I have received no further information, although I have met a couple times with the leadership of the foreign trade department. We also have no laws regarding use of hard currency and turnover organization. In the 1930's regulations strictly required that the RL State Bank be the only one that could carry out hard currency transactions in the name of the government. Right now we have hard currency scattered throughout all the hard currency banks without any kind of control. Similarly, the legally accruing interest from hard currency fund enterprise earnings are not being included. As far as I know the Supreme Council must, in conformance with the Constitution, be responsible for the development of a hard currency budget. That is why we assigned the government the task of informing us about the on-going processes, so that the people's deputies can control the situation through this hard currency commission.

[Grube] Who should determine the law on a hard currency budget?

[Ozols] The hard currency budget is analogous to the ruble budget, which includes part of projected revenues (although its competence is bounded by those of our government) and part of expenditures, in which are reflected foreign trade activities, concluded contracts and guarantees that must be paid. At the present moment the relation of hard currency revenues and expenditures are completely unknown. We know that the Godmanis government was prepared to plan a hard currency budget beginning with January 1992. The hard currency budget developed from taxpayer payments, i.e., from earnings or from other foreign activities, the large revenues produced by ports, the Ventspils oil depot, port factories, etc. Similarly one must look at what is happening to the hard currency part that remains in the control of the factories themselves.

With this decree we assign to the government the task of submitting to the Supreme Council an overview of foreign and corporate credits to the Republic of Latvia. We also request a determination on the use of this credit program. Credits are loans that must be paid off sooner or later. We in the press hear information about these loans from government representatives somewhat often, though no official news has yet been transmitted to the parliament. The moment may soon arrive when the next session of the Supreme Council or the Saeima [Diet] will have to pay for it. We want to give to the next hard currency and budget commission with honor our work in this area, so that they will not have to start completely from scratch, as our commission had to do. It is unacceptable that the heirs to our jobs will be left with such hard currency debts which will be clear to no one, how to repay them.

[Grube] In whose competence in the government is the resolution of this question?

[Ozols] Foreign trade and the financial security of economic programs is only and solely within the competence of the finance ministry. The finance ministry represents the government in all budgetary proposed law preparations. In fact it is the executive power that works on the basis of the law on hard currency reserves approved by the Supreme Council, the budget.

Right now it is completely clear that without a law on the use of hard currency and turnover order it is impossible to regulate usage of hard currency in the interests of the state.

It is not yet known what the government's answer to this parliamentary decree will be, though the decree managed to be approved in time, while the activities of the hard currency "aces" are not completely hidden. We are left only to hope that the Council of Ministers proves able to carry out the tasks assigned by this decree.

Electoral Law Viewed as Basis of Future Discord

92UN1195A Riga BALTIYSKAYA GAZETA in Russian
No 7, Mar 92 p 2

[Article by Abram Kletskin: "Tainted Democracy—The Future Latvian Sejm is Doomed to Discord"]

[Text] Whether we like it or not, it is completely obvious that the elections to the Sejm have moved solidly onto the agenda and are already having a decisive effect on all aspects of the political life of Latvia. This time we will address one of those aspects that is directly connected with the procedure for holding the elections. There is still no election law, but work on it has long been underway; the authors of the draft law were reporting to the viewers of a television program the other day that, as a result of their efforts, something democratically perfect had been created—namely that it had simply been decided to reproduce the election law of 1922. And that's it.

That law really does seem to be very democratic. It gave any person or any group of people who collected the signatures of a hundred citizens on their list of candidates, and paid a stipulated monetary deposit to the election commission (at the time it was 100 lats), the right to take part in the elections with that list and to receive a quantity of deputy's seats in the Sejm proportionate to the quantity of votes received. Since there were a hundred places in the Sejm, the arithmetic was simple and looked roughly like this—one percent of the votes was one deputy, two percent was two deputies and so on. If there were not enough votes, then nothing terrible happened—you lost only the amount of the deposit paid.

And all would be fine, except that—as the experience of Latvia itself and other countries with similar elective systems, such as Germany, for example, has shown—the parliaments that are elected by such a super-democratic method in fact prove to be, on the one hand, very subject to corruption and, on the other hand, helpless and unable to repulse anti-democratic forces, finally becoming victims of authoritarian (like Ulmanis) or totalitarian (like Hitler) forces.

The essence of the matter is the fact that this type of election law provokes the fragmentation of political forces. Taking into account the fact that just one percent of the vote is needed under Latvian conditions, any ambitious politician experiences the temptation to create his own electoral list—in which he would occupy the first position—so as to be elected almost automatically, rather than enter into any coalitions and prove not to be the first on the list, thereby diminishing his own ambition and, possibly, risking not being among those who are elected.

It is not for nothing that some 26-28 parties were submitted at various convocations of the Sejm of independent Latvia, and almost as many electoral lists did not get the needed number of votes. The government was dependent on the support of 15, or even 20, parties as a result, for which it had to pay something. The decisions of the parliament required coordination of the same number of points of view, and the decisions became diffused and frequently lost any sense. Strategic aims and the future of society and the country were constantly being sacrificed under such conditions for the sake of tactical successes of the moment. That creates legitimate dissatisfaction among society, undermines trust in the effectiveness of democracy overall and creates a base for anti-democratic and totalitarian forces. When such an election law is passed off as democratic, doubts thus inevitably arise regarding either the competence or the true intentions of those who say it.

After all, as they say, this has already happened in Latvia, but as opposed to Germany, for instance, no conclusions have been drawn from bitter experience. Germany (until recently, West Germany) has inserted

into its exceedingly democratic election law one important norm that did not exist during the Weimar Republic—a five-percent qualification, according to which parties taking part in the elections that receive less than five percent of the votes lose all of their votes and do not take part in the distribution of seats in parliament. No more than four parties (if the CDU-CSU is considered, as it is at the federal level, to be one party) have received seats in the Bundestag over the 40 and more years this law has been in force, not one right- or left-wing totalitarian party has been able to penetrate the parliament and the democratic system has been stable and highly effective as a result.

A five-percent norm (or some other one, this requires special study) is important today, under our conditions, in another regard as well—it would become an objective and difficult-to-surmount obstacle for those striving, for various and often narrowly personal reasons, to fragment political forces. This norm would force them to seek allies, seek out mutual understanding and not the satisfaction of ambitions, and devise serious political platforms that are able to unite the efforts of sufficiently broad circles. True political parties that are able not only to proclaim their good intentions, but also to take real responsibility for the fate of the nation and its inhabitants, would then finally be formed here.

The aforementioned in no way signifies that everything is reduced just to the institution of this norm. This is only one aspect of the preparation of an election law, but it is a completely essential one, insofar as it is another historical lesson that we have passed through together with modern Europe but, as opposed to it, we have in no way mastered.

New 'Post-Occupation' Map of Latvia Issued
92UN1195B Moscow KOMSOMOLSKAYA PRAVDA
in Russian 11 Apr 92 p 1

[Article by K. Markaryan: "Shuffling the Maps?"]

[Text] New maps of Latvia for the "post-occupation period" appeared in Riga stores during the period of the Moscow Congress. They have been printed in a circulation of 75,000 on order from the Latvian Ministry of Defense. It is noteworthy that today's Pytalovskiy Rayon of Pskov Oblast is also included within the borders of Latvia, as the former Abrenskaya Volost. The map also gives the explanation that this territory belonged to the republic up to 17 Jun 40, and has been deemed to have been illegally annexed by decree of the Supreme Soviet of Jan 22 of that year. The leaders of Russia, true, then declared the territorial claims of Latvia to be unfounded.

LITHUANIA

1991 Economic Performance Decline Detailed
92UN1193A Riga BALTIYSKAYA GAZETA in Russian
No 7, Mar 92 p 3

[Unattributed article from "Ekho Litvy": "The Whole Republic is Dining on Eggs—The Sad Results of the Year and Month"]

[Text] National income, according to preliminary data, declined by 10 percent in Lithuania in 1991, as did the output of industrial products by 1.3 percent and agricultural products by 4 percent.

The volume of industrial production dropped at 70 percent of enterprises. The number of employees declined at almost one out of every two. Production dropped most sharply at enterprises in the flour-milling and feed industry, as well as the food and building-materials industries—by 19.1, 8.5 and 5.6 percent respectively.

Some 9,500 people were recorded as unemployed in 1991, in the face of 11,500 job openings. Eighty percent of the open jobs were intended for manual workers, and 65 percent of those going to work were office workers.

Production in the public sector was reduced by 11 percent in 1991, while in the private sector, including farms, it went up by 10 percent, although the volume of agricultural output declined by four percent overall.

State procurements of livestock and poultry decreased by 16 percent, and milk by 11 percent, compared to 1990. The head of livestock in the public sector decreased by 10 percent, and pigs declined by 15 percent. The profitability of agricultural production nonetheless increased somewhat and reached an average of 29.3 percent (26.9 percent in 1990).

Deliveries of basic goods to the market declined appreciably—meats and meat products by approximately 18 percent, milk and milk products by 11.5, fish and fish products by 37, sugar by 20, fabrics by 25, shoes by 26, knit goods by 11 percent etc.

A sharp jump in prices occurred in January, when a considerable portion of the prices were freed up. Whereas the price index in December 1991 was 4.76 compared to December of 1990, in the first ten days of 1992 it was already 7.16, in the third ten days 10.56, and in the first ten days of February 12.45.

The dynamic of the average wages is as follows: in December 1991 they were, according to data from the Department of Statistics, some 2,165 rubles (including one-time and yearly bonuses), and had increased by 6.5 times since the last quarter of 1990. The average wage had increased by roughly 4.5 times after taking out the one-time and yearly bonuses, income taxes and payments for social security.

The primary refining of petroleum in January of 1992 was 49.5 percent of January of the prior year; the production of paper was at 45.8 percent, refrigerators at 41.5, bicycles at 58.4, chemical fiber and yarn at 71.6, silk fabrics at 72.8 and galvanic cells at 70.2 percent. The production of all types of the most important foodstuffs also declined. Some 52 percent of livestock and poultry had been procured compared to January of last year, along with 80 percent of milk; eggs, on the other hand, were at 107 percent.

Referendum on Presidency Set for 23 May

92UN1186C Tallinn THE BALTIC INDEPENDENT
in English 20-26 Mar 92 p 7

[Text] Lithuania's parliament has voted to hold a referendum on 23 May on whether to introduce a state presidency. The move represents a victory for the Sajudis movement, which had gathered 350,000 signatures in support of holding a referendum, exceeding the 300,000 needed by law to call such a poll.

If the majority votes in favour of the introduction of the presidency, the elections are expected to be held in early autumn, and the most likely victor is seen as the current president of the republic's parliament, Vytautas Landsbergis.

In a recent opinion poll 48 per cent of the respondents said Lithuania needed a president, and 82 per cent were of the opinion that the head of state should be elected directly by popular vote.

According to the poll, 32.5 per cent of the respondents wished to see Mr Landsbergis returned to the office of president.

The second-largest vote was given to the former Communist Party chief Algirdas Brazauskas, whom 21 per cent of the respondents prefer. Mr Brazauskas, the present leader of the Lithuanian Democratic Labour Party, was mostly supported by people from rural areas.

Vytautas Landsbergis also remains the most popular politician in Lithuania, gaining +32 points on a 100-point scale. He was followed by a well-known member of parliament, Romualdas Ozolas (+30 points) and Algirdas Brazauskas (+19). Among the rural population, however, the most popular politician was Mr Brazauskas with +38 points.

Talks Delegates View 'Unsatisfactory' Progress on Troop Withdrawal

92UN1096A Moscow NEZAVISIMAYA GAZETA
in Russian 28 Mar 92 p 3

[Article by Jonas Lukocievicius: "Withdrawal of 100 Soldiers—This Is Not Serious, Believes Deputy Chairman of the Lithuanian Republic Supreme Council Stankevicius"]

[Text] Deputy Chairman of the Lithuanian Supreme Council Ceslavas Stankevicius, Minister of National Defense Audrius Butkevicius, and Minister Without Portfolio Aleksandras Abisala held a press conference on 27 March in Vilnius.

Ceslavas Stankevicius, who heads the delegation at the negotiations with Russia regarding the final withdrawal of the former Soviet Army from the republic, spoke of the Lithuanian delegation's work and expressed regrets that very little had been done since the meeting between Landsbergis and Yeltsin two months ago, where the issue

of the troop withdrawal had been discussed. "The progress of the negotiations is clearly unsatisfactory," Stankevicius believes. "Russia still has not supplied the official information on the specific number of troops stationed in Lithuania, their armaments, and other data." Speaking of Russia dragging its feet in the negotiations on troop withdrawal, Stankevicius suggested that "Russia wants to turn it into a second-rate issue;" in addition, he noted that Russia, while not offering anything concrete for the resolution of this problem, seems to desire to retain military influence over Lithuania... The withdrawal of 100 soldiers from the republic does not represent the beginning of a serious action, believes Stankevicius. As to Vilnius, according to him, not a single soldier had been withdrawn from there.

In the presenter's opinion, another acute problem is the position of the border guards of the former Soviet Army, who are still serving at the Lithuanian border. One of the most acute problems, in Stankevicius' opinion, and one that concerns both the government and the Lithuanian public, is the failure of the Russian military leadership to carry out the promised obligations, which is resulting in new reinforcements arriving in Lithuania; units of the former Soviet Army are still moving on the territory of the sovereign republic without securing sanction from the Lithuanian leadership, and Lithuanian air space is often violated.

It was reported at the press conference that transit of military cargo through Lithuania continues. Stankevicius also spoke of the crimes being committed by the military, and, among other things, of the military selling arms to individuals or criminal groups. "We have grounds to protest against the violation of Lithuanian sovereignty," the deputy prime minister said in conclusion.

Abisala, head of the group of experts at the negotiations with Russia, described four meetings of groups of experts in Moscow. In his opinion, "meetings of experts are a blockade of the negotiations: the main problems should be decided not by experts but by official delegations."

Minister of National Defense Audrius Butkevicius said that during the past 10 days there have been instances of detaining military personnel at the Lithuanian border as they attempted to take out of the republic construction materials, gasoline, and military property. The minister called these actions dangerous and destabilizing for the situation in the republic.

Lithuania's Increased Interest in Kaliningrad Examined

92UN1096A Moscow ROSSIYSKAYA GAZETA
in Russian 13 Mar 92 p 7

[Article by Jurgis Tubinis: "Landsbergis Wants the Troops To Be Withdrawn from Kaliningrad, Forgetting That it is Not Lithuania"]

[Text] Vilnius—The sharply increased attention toward Kaliningrad Oblast on the part of Lithuanian politicians speaks of the importance of this region in the resolution of Baltic issues. A new knot of geopolitical problems is emerging; or is it the reverse—the matter is moving towards the democratic untying of the existing knot? Time will tell.

The unusual region excites the hearts of the Germans. Russia also has its own ideas related to an interesting economic experiment in free Kaliningrad. There was even the brief thought of creating here a Baltic Republic as part of the Federation.

Against this background come a number of unexpected remarks by Lithuanian politicians that evidence a special interest on the part of this country toward the Kaliningrad region. Lithuanian Supreme Council Chairman V. Landsbergis has repeatedly insisted on the need to urgently withdraw the Army of the former USSR from the republic. Now he casts his net wider—the troops should also be withdrawn from Kaliningrad Oblast as well. At the 24th Session of the Academy of Peace in Monaco, V. Landsbergis answered a question about Kaliningrad Oblast and whether Germany should entertain hopes of returning there:

"This region is too militarized, and therefore the issue is one of European security. After Kaliningrad Oblast's demilitarization bright future prospects could open for the residents of the region, and the region could flourish in an economic sense."

It is not quite clear why this question was posed to the head of the Lithuanian parliament. Judging by the reply, however, it comes through that the oblast's problems are not just Russia's internal problems...

At a press conference in Vilnius several days later, V. Landsbergis again returned to the subject of the Army and Kaliningrad, saying that the troops stationed there are an anachronism in the era of changing international relations, while their high concentration may pose danger to Lithuania. Practically at the same time there was a report on the remarks made by the Lithuanian ambassador to the United States, S. Lozoraitis, that for some reason Kaliningrad Oblast should be in the sphere of interests of his republic.

A whole wave of similar remarks undoubtedly point to the emergence of a certain idea. So far one can only guess what it is. A further remark by the same S. Lozoraitis may perhaps provide a glimpse of it: "...If a republic emerges in Kaliningrad Oblast, we will find ourselves in an exceedingly difficult situation. Such a republic will need a corridor connecting it with Russia—something akin to the infamous Danzig corridor before the war." As for the position of the Lithuanian leadership, it was explained by the Supreme Council's press representative, A. Azubalis: "We are for the demilitarization of the oblast. Lithuania is offering to participate—on an equal footing with Poland, Germany, and Russia—in the resolution of the question of this region's future." It is not

clear, though, why the issue includes only one-third of former East Prussia. Why not also bring up this issue with Poland, which has two-thirds of East Prussia, and where troops are also stationed?

Kaliningrad Oblast is not merely a neighbor of Lithuania. On top of that, it is separated from Russia by Lithuanian territory and therefore to a certain degree dependent on the situation in the republic. And the German interest in its former lands, which so far is manifesting itself only in entrepreneurial undertakings and tourism, does not end there either. For a Russian citizen, the notion of Little Lithuania [Malaya Litva] would not mean anything. One can find another name for it in history books—Prussian Lithuania—the historic region of Prussia formed of the Baltic lands conquered in the 13th century by the Teutonic Order. There are still Lithuanian societies in Kaliningrad Oblast, and its cultural cooperation with Lithuania takes their national interests into account.

Still, what is it that the Lithuanian politicians are displaying: concern for Little Lithuania, interest in an economically promising region, concern born of having a major military power as a neighbor, or love for peace—or are there other explanations? Judging by the increasing activism, we should very soon be able to detect the real purpose in the Kaliningrad theme so popular among Lithuanian politicians. From words to—what?

New Lithuanian-Polish Border Post To Open

92UN1186B Tallinn THE BALTIC INDEPENDENT
in English 20-26 Mar 92 p 4

[Text] A new border crossing point will be opened on the Lithuanian-Polish border this spring, transport ministers of the Baltic Sea countries decided at a meeting in Szczecin, Poland, on March 18.

The crossing will be opened within the framework of Via Baltica, a new alternative road currently being built to link Finland and Central Europe. Lithuania and Poland will build the border facilities while Finland will arrange training for border guards. The point will be situated at Kalvarija in Lithuania and at Szyplinszk in Poland. The Lithuanian-Polish border is a wellknown bottleneck for travellers as there is currently only one border crossing in operation, resulting in frustrating delays.

Lithuania, Sweden Sign Free Trade Agreement

92UN1186A Tallinn THE BALTIC INDEPENDENT
in English 20-26 Mar 92 p 4

[Text] Lithuania's first trade accord with a Western state was signed in Stockholm on March 17 by Lithuanian Prime Minister Gediminas Vagnorius and Swedish Prime Minister Carl Bildt.

In a move to stimulate the relatively sparse trade between the two countries, the agreement calls for the removal of all customs tariffs on industrial goods

shipped between Sweden and Lithuania. Certain raw materials are exempted from this, however, as was the case in a similar agreement signed last week with Latvia.

Mr Vagnorius said he would like the agreements to cover a broader area of trade, but was nonetheless "glad for the 10 joint companies recently formed with Swedish partners (in Lithuania). "The trade will be worth tens of millions of dollars," he said, according to Swedish news agency TT.

Trade relations to the east, however, are a worry to Mr Vagnorius. "I am concerned with Russia always breaking its trade agreements with Lithuania," said the Prime Minister. He said that the country's eastern trade strategies would henceforth focus on Ukraine and Byelorussia.

The question of repaying the Lithuanian and Estonian gold which was deposited in Sweden in 1940, then quickly turned over by the Swedish Government to the Soviet Union after Soviet troops invaded the Baltic States, was politely sidestepped by Mr Vagnorius saying: "The best possible decision on compensation for the gold will be reached by the Swedish Parliament."

Lithuanian President Vytautas Landsbergis had earlier criticised Sweden for suggesting the gold be considered to have been paid back with funds already allocated to Baltic aid.

By the end of the month all three Baltic leaders will have visited Sweden and signed similar trade agreements: Latvian Prime Minister Ivars Godmanis was in Sweden last week, and Estonian Prime Minister Tiit Vähi is due to visit next week.

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